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ARE FEDERAL JOB RECRUITING TECHNIQUES ADEQUATE?

HEARING

BEFORE THE

SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE, AND CIVIL SERVICE

OF THE

COMMITTEE ON GOVERNMENTAL AFFAIRS UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

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ARE FEDERAL JOB RECRUITING TECHNIQUES ADEQUATE?

MONDAY, JUNE 19, 1989

U.S. SENATE,
SUBCOMMITTEE ON FEDERAL SERVICES,
POST OFFICE, AND CIVIL SERVICE,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 10:05 a.m., in room SD-342, Dirksen Senate Office Building, Hon. David Pryor, Chairman of the Subcommittee, presiding.

Present: Senator Pryor.

OPENING STATEMENT OF SENATOR PRYOR

Senator PRYOR. Good morning, ladies and gentlemen. The Subcommittee will come to order.

This morning, our Subcommittee is going to hold a hearing to examine Federal recruitment policies and practices and to explore what techniques our Government should be using to recruit top-notch college graduates. We will also be looking at the hiring plan for entry level professional and administrative employees which the Office of Personnel Management (OPM) proposed last year, but has yet to implement.

While inadequate pay has made it very difficult for the Federal Government to hire certain professionals, the National Commission on Public Service, the so-called Volcker Commission, also found that recent college graduates consider Government work unattractive and lacking in creative challenges.

The Commission concluded that the Government needs to improve the perception of public service and market the Federal service more aggressively if it intends to attract quality personnel at the entry level.

Since the Pendleton Civil Service Act of 1883, the Civil Service Commission, and now the Office of Personnel Management, has been the central personnel management agency of the Federal Government responsible for the nationwide recruiting and the examining of applicants for positions in the Federal service.

But in a letter to me dated June 2, the Office of Personnel Management advised me that, "Federal agencies, not OPM, are the recruiters for the Federal Government so that they may address their own unique skill and hiring needs."

OPM's new brochure, "Career America," says, "For more information related to job opportunities, contact the Federal agency per-

sonnel office in which you have an interest or the Office of Personnel Management area office listed in the phone directory under U.S. Government."

OPM now tells people to go to the agencies first. Today, we want to find out what those agencies are telling the applicants for the Federal jobs. This OPM brochure goes on to say that you may also contact your nearest State employment or job service.

Unfortunately, this system is not operating smoothly. Last September, OPM closed the Federal Job Information Center in Little Rock, Arkansas, as part of "its effort to simplify the information function." Now, Federal job information can only be obtained through the Arkansas Employment Security Commission offices.

But constituents have told me that the job announcements are often out-of-date. I recently received a letter from a constituent whose son has been having a difficult time in finding Federal employment in our State of Arkansas.

His mother decided to find out for herself what kind of material was available. Here is what she had to say:

> Since we have been to the Hot Springs, Arkansas, employment office, to some of the Federal offices and State offices, we have really gotten an education. We can understand why many, many people get depressed and just give up. Mike would tell us how things were, but now we know for ourselves.

To find out for myself how well the Federal Government or how badly the Federal Government is doing in providing job seekers employment information and assistance, I sent several of our college interns, who are with us this summer, into the streets of Washington to visit 18 Federal agencies during the week of June 5.

The interns were told to ask about job opportunities, the application procedures, and any available work-study programs. We will be sharing with you a few of their candid comments in a moment.

My purpose in highlighting these experiences is not to embarrass Federal employees; there has been enough of that. My purpose is to point out that the Federal recruitment system has problems, and we need to correct them. Nothing can be more discouraging or frustrating to a young job seeker or an old job seeker than finding no one able or willing to answer questions about Federal job opportunities and the application process.

I believe public service is a very worthy career and that every effort should be made to restore the sense of public pride in Government service. Because today's young people are our leaders of tomorrow, we must make Government an accessible and exciting career option. To start, we need to provide the public with useful information on Federal job opportunities, and I believe our witnesses today will provide us with some valuable ideas on how to achieve those goals.

I am very sorry that Senator Stevens, our ranking member of the Subcommittee, is not with us this morning. He is meeting with the Coast Guard, and I assume that it concerns Alaska. If he can break from that meeting, he might be able to join and we may have a statement from him later for the record.

Well, this morning I would like to call four of our fine young interns who have gone out to these 18 agencies and hear a little bit about what they found. Let us call John David Walt, better known as J.D., Libby Schnipper, Rebecca Slaven, and Mary McLeod. That

is a fine looking bunch of interns. I applaud myself for picking such nice-looking interns this summer.

I might just say a personal note. Many of you see all the interns come and go, especially during the summer. I always find the summer more exciting in Washington than the other seasons because I feel that all of the young people, the hundreds of young people who come and temporarily work for Senators, Congressmen and Government agencies, vitalize this city, bringing us new ideas and new hope. We are hopeful this morning that we will have some constructive ideas from some actual experiences.

J.D. Walt. J.D., tell us about your experiences in dealing with the job market.

TESTIMONY OF JOHN DAVID WALT, DUMAS, AR

Mr. WALT. My name is John David Walt. I am from Dumas, a small town in southeastern Arkansas. I recently received my degree from the University of Arkansas in Fayetteville, having majored in public administration. I will attend the University of Arkansas School of Law in the fall.

On June 9, I visited the Office of Personnel Management to try to get information about getting a job in a Federal agency. I walked in about 2:30 and got in line. Minutes later, the woman behind the desk announced that the man in the pink shirt would be the last one she waited on today. He was right in front of me.

I decided to persist and stayed in line. When I reached the desk, the woman pulled the partition. Two other men were desperately trying to request a form. She ignored them, too. All I wanted to do was find out how I could get Federal status. In my mind, bureaucracy turned out to be everything but what my public administration class said it would be.

Senator PRYOR. Thanks, John David. You did say that was 2:30 in the afternoon?

Mr. WALT. Yes, sir.

Senator PRYOR. They closed the window?

Mr. WALT. Yes, sir. It was right before 2:30.

Senator PRYOR. And you didn't have the pink shirt on. [Laughter.]

Libby Schnipper.

TESTIMONY OF LIBBY SCHNIPPER, HOT SPRINGS, AR

Ms. SCHNIPPER. I am Libby Schnipper from Hot Springs, Arkansas. I am a junior at the University of Arkansas in Fayetteville, where I am a communications major.

On June 7, I arrived at a Federal agency and showed the guard my driver's license. I signed a register and was directed to the personnel office. When I walked in, I saw two secretaries. I went over to one of them and asked for a general job application.

She asked me what kind of job I would like, explaining that I would have to know the exact position I was looking for in order to receive the correct forms. She directed me to the rack where all the vacant jobs were listed. I chose a secretarial job. In return, she gave me two standard forms, a 171 and a job description.

I started asking questions about the job and the application process. She immediately interrupted me and said all the answers are on the green form. I tried one more time to ask the question and she took the green form out of my hand and said, "I don't know any more than what is on the form." I thanked her and left. She was not helpful to me at all.

Senator PRYOR. Thank you, Libby.

Rebecca Slaven.

TESTIMONY OF REBECCA SLAVEN, LITTLE ROCK, AR

Ms. SLAVEN. My name is Rebecca Slaven. I am from Little Rock, Arkansas, the State capital. I am a senior at Vanderbilt University in Nashville, Tennessee, where I am majoring in psychology and business.

I was unable to enter the building on June 9, because I did not have a Federal identification card. The guard told me to call the office of personnel. I had to call the main office, and after being transferred and talking to four different departments, a woman answered the phone. She said she worked in the Office of the Secretary, but I was not sure what that meant.

After telling me to be quiet and quit interrupting, she explained the procedure for getting employment in a Federal agency. She knew of no available entry-level jobs and explained that this was handled by the Office of Personnel Management. After inquiring about my educational background, I learned that without a master's degree I would probably have to work in a field office.

Senator PRYOR. Thank you, Rebecca.

Mary McLeod.

TESTIMONY OF MARY McLEOD, LITTLE ROCK, AR

Ms. MCLEOD. My name is Mary McLeod. I am also from Little Rock, Arkansas. I am a junior at the University of the Ozarks in Clarksville, majoring in communications.

On June 7, I went to a Federal agency to get job information. Entry into the building was strict for security reasons. My driver's license was checked, and I had to sign a register. The guard was helpful in directing me to Personnel.

When I got there, I said I would like some job information. A young man gave me an application, a Standard Form 171. When I asked how long it would take before I heard about my application, he said, "possibly never." [Laughter.]

He told me that because I wasn't applying for a specific position, my application could go into a computer and may never come back up. Then I asked for an application for some sort of clerical work. He gave me another form and the name of the person to send it to.

He told me that it would still be difficult to get an interview. When I asked him how he got his job, he smiled and said, "I am lucky, I know people." The man was honest, but not helpful about my chances.

Senator PRYOR. Mary, thank you.

Let me just ask the panel, did this experience give you hope about going into the Federal workforce in some capacity? What about you, J.D.? Did it give you any hope?

Mr. WALT. I thought it was pretty discouraging.

Senator PRYOR. Libby, Mary, Rebecca, do you have any comments on that?

Ms. MCLEOD. I was discouraged as well.

Senator PRYOR. What would your perception be right now of a Federal service career? Would young people out of law school, with communications or political science degrees find it an appealing career? How would you classify that?

Ms. SLAVEN. It was too hard to get into the agencies at all to find out what was available. It is not worth their time.

Ms. MCLEOD. I felt like they were just going to put me into a computer and that I didn't mean anything at all. They weren't going to look at my skills or my degree.

Ms. SCHNIPPER. It seemed like we were just another name put in the computer.

Senator PRYOR. John David, go ahead.

Mr. WALT. I think these agencies are missing out on a lot of intelligent young people who——

Senator PRYOR. Like yourself. [Laughter.]

Mr. WALT. Well, not necessarily. When they don't get the opportunity with the Federal Government, they are going to go private and find their success there and probably never get back to public service.

Senator PRYOR. Now, J.D., I believe you also went to the Pentagon, I believe, in addition to OPM where they closed the window at 2:30.

Mr. WALT. Right.

Senator PRYOR. Tell me about your experiences at the Pentagon.

Mr. WALT. Well, I went to try to get employment at the civilian office in the Air Force. I got to the Pentagon and, of course, nobody gets in the Pentagon without the proper I.D. So I looked at the phone book to try to find the office there in the Pentagon and it took me about 20 minutes to thumb through all of that.

Senator PRYOR. That is bigger than the whole Little Rock, Arkansas, phone book, isn't it?

Mr. WALT. It is bigger than my hometown's; that's for sure, but I finally found the number. I called upstairs and talked to the lady—we went over a few things about what I wanted to do and she told me that they weren't hiring, but that I might find a job as a clerk or a secretary, that that is how most of them had gotten their foot in the door.

So I told her that I wasn't interested in that, and she finally got around to telling me to go to OPM to obtain Federal status, which is the reason that I went to OPM in the first place.

Senator PRYOR. And that is when they closed the window on you?

Mr. WALT. Right.

Senator PRYOR. Any other comments any of you would like to make?

[No response.]

Senator PRYOR. We really appreciate this. I will just add a little trivia. The first time I ever applied for a job, a real job, I applied with Mary McLeod's grandfather, who is now a U.S. Federal district judge. In his 80s, he has one of the biggest caseloads of any Federal judge in America. He was at that time Congressman Orrin

Harris. I was not only his page; I also succeeded him in the House of Representatives.

So, Mary, Rebecca, Libby, and John David, we thank all of you. We think this will be very constructive as we move forward through the hearing and find some suggestions on how we might improve the perception of Federal careers. I thank all of you.

At this time, we will call the Honorable Constance Newman, Director of OPM—I must say, our new Director. We welcome you, Ms. Newman. Ms. Newman is accompanied by Curtis Smith, the Associate Director, Career Entry and Employee Development Group, OPM. This is our first panel. We look forward to your statement.

TESTIMONY OF CONSTANCE BERRY NEWMAN, DIRECTOR, OFFICE OF PERSONNEL MANAGEMENT,[1] ACCOMPANIED BY CURTIS J. SMITH, ASSOCIATE DIRECTOR FOR CAREER ENTRY AND EMPLOYEE DEVELOPMENT, OFFICE OF PERSONNEL MANAGEMENT

Ms. NEWMAN. Mr. Chairman, I think that I thank you for inviting me to appear this morning to discuss Federal recruitment policies and practices. I am not only accompanied, but I think protected by Curtis Smith, OPM's Associate Director for Career Entry and Employee Development.

I am pleased this morning that this hearing, which is my first Congressional hearing as Director of OPM, concerns Federal recruitment, since this area presents some of the most important challenges that will face us at OPM.

Both the Volcker Commission report and OPM's own Civil Service 2000 Report have made clear that the Federal Government is going to have to approach employee recruitment far differently from the way we have done in the past if we are to be able to maintain a quality workforce.

No longer will the Government be able to sit back and wait for candidates for employment to present themselves and endure long delays before obtaining jobs. Demographic changes are going to make the American labor market more and more competitive in the future, and we are going to have to seek out employees, looking longer and harder, and in groups where the Government hasn't looked very much before.

We are going to have to be able to interest high-quality candidates in Federal employment, even though our pay and benefits may not be comparable to that of other employers. We are going to have to be able to make hiring decisions more quickly, knowing that other employers are also seeking to hire the people that we are considering.

All of this, in my view, Mr. Chairman, is going to require a tremendous change by OPM in the policies and guidelines that it sets, and in its leadership. And it will also require changes by the various agencies in the way in which they do business.

One of my first priorities at OPM is going to be reviewing exactly where we should be going in Federal recruitment. This morning,

[1] See p. 39 for Ms. Newman's prepared statement.

however, I thought it would be useful if we would go over some of the recent actions OPM has been taking to meet these challenges. It is not my intent to reinvent the wheel. If there are some initiatives that make sense, we need to build on those.

OPM's role in recruitment is a partnership, as you know, with the Federal agencies that are actually hiring the employees. When it comes to the person-to-person contact in a job interview where the Government tries to interest the candidate in a particular job, it is the agency that has to be there and handle the individual contact.

OPM concentrates its efforts on facilitating these individual contacts.

The Career America recruiting materials have been a major improvement in the way in which we are presented to college students and other candidates. Now, the Government is able to provide attractive, modern brochures that compare favorably with those used by other major employers.

While a brochure seems of little consequence, it is actually important in presenting the image of Government as an attractive place to work.

In the coming year, OPM plans to make a major effort to explain to and convince the agencies how to use these materials and other modern techniques in recruiting; how important it can be, for example, to send out to the campuses people with whom the students can identify and who are actually doing the jobs for the agencies for which they are recruiting.

OPM has also been making more of an effort to work with college placement offices so that they will be aware of the Federal job opportunities for their students. It is essential that people who are interested in Federal employment have a readily available place to seek information, and OPM is working, and needs to continue to work, to improve the availability of information about job opportunities.

In addition to the Federal job opportunities listings, OPM has been developing a variety of self-service telephone information systems to provide information about Federal employment.

In the next few weeks, OPM will begin operating a college hot line. This is a nationwide telephone system using a 900 number, designed for recent college graduates who are interested in professional and administrative career opportunities. In a few months, a new Federal career directory will be published with information about 177 Federal agencies and their job opportunities.

One of the biggest hurdles the Government has had to face in hiring candidates has been the length of time it has taken from the first contact to the actual hiring. OPM has been working to cut these delays, both through decentralization of the examining process and through automating OPM's own work.

Examining authority has been extensively delegated to agencies, as permitted by law, and we have granted agencies direct hire authority for many of the shortage categories. We have been speeding up—and we know we need to do more—the handling of applications, tests, the issuance of certificates through the use of computers, optical scanners, fax machines, and the like.

We have also tried to give agency managers more flexibility in hiring, through such means as delegating to the agencies the authority to use such advanced in-hire rates for candidates with superior qualifications and authority to use private sector search firms where normal means have failed to turn up candidates.

As you know, Mr. Chairman, OPM is now working on a major change in the way most college graduates enter the Federal service with both direct college hiring of quality graduates and an innovative approach to written tests.

It is clear to me that OPM has been making changes, major changes, in an effort to enable the Government to compete successfully. I plan, however, to review these changes carefully and to examine additional options to decide what further needs to be done, and I look forward to working with you and this Subcommittee in the future on these important issues.

Thank you, and we are pleased to answer questions that you have.

Senator PRYOR. Ms. Newman, I think brochures are fine, hot lines are fine, but if we ever lose the human element, if we lose that link between the Federal agency and the human being, like these four fine people we have just heard this morning, then I think we have really lost a lot. I don't think that we can replace that.

The IRS has a hot line. Frankly, about 60 percent of the questions the taxpayers ask are answered incorrectly. I know if you are looking for a Federal job in Arkansas today and want some information, the information from the Arkansas Employment Security Division is often wrong and outdated. To find someone to talk to, you have to go to Oklahoma. That is not right.

Once again, let's go back to Ms. Bradshaw's letter written, by the way, on some purple tablet paper—I love that—about her son, Mike. She asks, "Who gets the jobs? Must you know someone or be a relative? Shouldn't everyone have an equal opportunity? Something should be done for the "good old American boys" who just want to make a living and pay taxes and be good citizens. They can't find information about jobs, they don't know where the availabilities might be."

And as Libby Schnipper just said, "They are going to go into a computer and maybe never come out." I think that is part of the frustration that we find today of our constituencies and people who contact our Subcommittee.

I wonder if you would comment broadly on some of those areas.

Ms. NEWMAN. Yes. Mr. Chairman, I do agree that brochures and computers are no substitute for the exchange between people, and one of the priorities of OPM will be improving what I call the front line, the people who deal both on the phone and in person with the public.

This is going to be necessary not only to assist us in recruiting, but in all of our business.

In order to improve the front line, we are going to have to develop training material that allows people not to be automatic in either a negative response or a non-response to questions. We need to provide information to people so that they will be in a position

to answer a variety of questions asked by those who call in or come into OPM.

We have been talking—just in the short period of time that I have been there Curt Smith and I have been talking about a way in which we might be able to combine the use of the computer and the telephone response system with a branching to a human contact when needed.

If a person is in contact with the telephone response system or a computer and most of the questions are answered satisfactorily, there is no need to go to direct contact with an individual. But if there are remaining questions, if there is some way we can branch to a telephone or to an individual to answer specific questions, we will look into doing that.

I can't excuse what the testimony today shows has happened. I know that OPM has a leadership responsibility for preparing the entire Government in its policies and guidelines for recruiting and attracting a quality workforce.

Even where the agencies are doing direct hiring, we have a responsibility for assisting the agencies in doing a good job. And we will be reviewing what is already in process and determining whether we should continue with some of the activities that are there and determine our options.

Senator PRYOR. I might ask this question. John David Walt testified that when he almost got to the window to get an application form at 2:30 in the afternoon, the window suddenly closed. Services were discontinued.

Were you aware that the Federal Job Information offices in Washington closed at 2:30 in the afternoon?

Ms. NEWMAN. No, I was not aware.

Senator PRYOR. I was certainly not aware of it. That was illuminating to me.

Ms. NEWMAN. I was not aware that the offices close at 2:30. I don't know the reason for that. It may be that some data has been collected on what the cut-off point for people coming in, but I know how I always feel if I am the person right at the cut-off line, and there ought to be some way to deal with that.

Senator PRYOR. It seems that we ought to learn from this lesson. If I might offer a suggestion, explore the possibility of having some of these offices maybe not fully staffed, but at least some of them open from 5 p.m. until 8 or 9 in the evening to serve people who possibly cannot come during a work day. I think that would be an additional service that we might explore. Mr. Smith, did you—did he want to make a comment?

Ms. NEWMAN. Yes.

Mr. SMITH. Well, we do not have offices open at those hours now, and I agree with you that the Government as a whole needs to pay attention to the way that our citizens live now and when they need to be able to get hold of us.

As we look at these things, I think we have to balance the productivity pressures on the one side with doing a decent job with the public that comes into contact with us, and how we best get there is something that I think we will be working out with Ms. Newman.

Senator PRYOR. Now, you talked in your statement about a partnership. I think the partnership is a little bit fuzzy and confusing because OPM's role is not fully explained. I don't know whether OPM recruits, examines applications and hires, or whether, as it relates to OPM's June 2nd letter the individual agencies are doing the recruiting and hiring. Now, whose responsibility is this?

Ms. NEWMAN. Well, first of all, OPM has the leadership responsibility. OPM has the responsibility for developing the guidelines, for developing the policies, to the extent that there are actions that can be taken that are cross-cutting; the establishment of an image that convinces people that the Federal Government is a good place to work; training the people throughout the agencies on the best practices. Those are OPM responsibilities.

There will be—if the PACE alternate is accepted by the Luevano plaintiffs—the six examinations that will be conducted at the outset by OPM; at some later date they may be delegated.

But saying that it is a partnership does not mean that OPM has the right to abdicate the responsibility for ensuring quality recruitment throughout Government. To the extent that we need to track more where agencies have a gap and what it is they need to know to do a good job, it is our responsibility to fill the gap.

Senator PRYOR. I am a little bit concerned about the emphasis placed on the grade point average, and I think that is involved with the so-called PACE alternate. Am I correct there? Mr. Smith, you are nodding affirmatively.

Ms. NEWMAN. Well, let me say something.

Senator PRYOR. Certainly.

Ms. NEWMAN. The plan is three-point; there are three points to it. The first is the six examinations, plus an individual achievement record. The second part of this post-Luevano plan is the three-point grade point average, and the third—and the reason I wanted to talk about this—is upward mobility, because the upward mobility portion of this recruiting strategy will account for over 70 percent of those moved up through the system.

Mr. Smith and I were talking earlier, and the plan is, as far as the three-point and the examinations are concerned, that there be a 50–50 split, so that no more than half of the 30 percent who are recruited from outside will come in under the three-point approach.

The 3.5 grade-point average now in use, at the outset, did not bring that many people into the system. It wasn't used initially. My understanding is, however, that it is now being used and is responsible for a large number of the quality graduates coming into Government. I would like to have Mr. Smith speak to you on how that is working now.

Senator PRYOR. Mr. Smith.

Mr. SMITH. As you know, and as Ms. Newman explained, one of the two pieces in our examining process that we have proposed is to use college grade point average as a quality control factor, so as to make college students available directly to agencies recruiting on campus.

The experience with this has been uneven. We have now the same kind of authority set at 3.5 GPA, and so the proposal really is that we would like to lower our 3.5 down to 3.0 to make more people available.

Almost no one was hired under that mechanism for the first 5 or 6 years of the Luevano consent decree, but the numbers have been growing rapidly—250 a couple of years ago, over 800 last year. So it looks as if people are beginning to understand the value that mechanism offers the Federal Government in recruiting the best people off of our Nation's campuses.

Senator PRYOR. I just have a philosophical concern with trying to relate a grade point average with job performance. Maybe there is a correlation; I am not smart enough to know this. But I think we need to really look at this more closely.

Another thing that concerns me is part of the test—in the Individual Achievement Record—put a lot of emphasis, I think, on the number of organizations that the applicant joined while in college. Is this correct?

Ms. NEWMAN. Mr. Chairman, that is only part of it. There are a number of factors that will be looked at in the Individual Achievement Record. There will be a measurement of self-esteem. There will be a measurement of leadership capabilities based on what the individual has done in high school or in college.

There will be a measurement of dependability, which is another factor that is extremely important in holding a job, and in achievement. So the number of organizations to which a person belongs is only a small part of the questions.

Maybe, Curt, you want to——

Mr. SMITH. Yes. That is a good one to talk about. Let me say first that the way that our people developed that approach was to ask those questions of all the people we had hired into these jobs for 5 years, and then we did performance appraisals with the supervisors. So the correct answer is the one given by the high achievers.

It wasn't something that we made up ourselves out of some notion of our own about what people should look like.

On the number of organizations joined, people assume, as I had assumed, that the more, the better, but that turns out not necessarily to be true. When you ask your best performers about their own history, you get a different answer than that. Organizations seem to be positive in high school, but in college it drops off. But the most important point is the correct answer is the one given by the best performers.

Senator PRYOR. We have just had our law school reunion down in Arkansas. I won't tell you how many years, but one of the top graduates of that class belongs to no organizations. The reason being is that he held down three jobs to get through school, not only to support himself but to support his family. I think that these factors should be taken into consideration.

Finally, we have heard so much about this so-called new plan, Ms. Newman. Because we are running out of time—I want to call the next witness—I wonder if you could put in the record a summary of the new plan, when it will be implemented, how it will be implemented, and how potential Federal applicants will know where the jobs are and the types of positions. I think that would be very critical.

[The information submitted by Ms. Newman follows:]

OVERVIEW

The overall title of the new program is "Administrative Careers with America." The new program covers approximately 100 positions filled under the Professional and Administrative Career Examination (PACE) and the subsequent Schedule B hiring process which resulted from the Luevano Consent Decree. The occupations are divided into job groupings based on similar requirements. Each group will be announced to the public as a separate supplement or examination within the overall program. The job groups are:

1. Health, Safety and Environmental Occupations
2. Writing and Public Information Occupations
3. Business, Finance and Management Occupations
4. Personnel, Administration and Computer Occupations
5. Benefits Review, Tax and Legal Occupations
6. Law Enforcement and Investigation Occupations
7. (Sixteen positions with positive education requirements, e.g., Economist, Psychologist)

EXAMINING

The procedures for groups 1 through 6 will include:

Use of a written test;

Collection of data related to personal characteristics (Individual Achievement Record);

Direct hire authority for well-qualified candidates (Outstanding Scholar provision).

Applicants will be tested around the country, either at the location they selected, if we are testing at that location, or at the test site closest to the location they selected. The entire test session, including handing out and collecting the test materials, providing instructions and taking the IAR, will take approximately three hours.

Positions in group 7 will be announced individually as needs arise and will be handled as unassembled examinations. That is, there will be no written test but applicants will receive a rating based on their experience and education.

INDIVIDUAL ACHIEVEMENT RECORD

The Individual Achievement Record (IAR) evaluates aspects of both experience and individual success in academic, employment, organizational, and interpersonal endeavors. The IAR is a multiple-choice format questionnaire which will take about 20 minutes to complete.

APPLICATION PROCEDURES

For positions in groups 1 through 6, an applicant will apply by submitting a Test Scheduling Card, OPM Form 5000AB, to take the appropriate written test. The scheduling card is included with an information packet that describes the qualification requirements and application procedures for each group. Applicants will then be provided an occupational supplement which collects information concerning qualifications. This form, which is commonly referred to as a "Form B," is electronically scanned to create an automated record for the applicant. The applicant does not need to complete an Application for Federal Employment, SF 171, at this time. An SF 171 is required as legal documentation when an agency hires an individual and may also be requested when an agency is considering an applicant for employment.

For positions in group 7, application procedures will be determined by Office of Personnel Management (OPM) area offices. Normally the applicant will be required to submit an SF 171 and a transcript of college course work.

CONSIDERATION FOR EMPLOYMENT

Certification from OPM registers will be done in score (rating) order. That is, the applicants with the highest ratings will be certified to agencies for consideration following all laws and regulations related to appointment in the competitive service.

In addition to hiring from OPM certificates, agencies may directly hire applicants if they meet the Outstanding Scholar provisions of the Luevano Consent Decree. Current provisions require a 3.5 grade point average. OPM has proposed modifying the grade point average required to somewhere in the range of 3.0 to 3.5.

EFFECT ON EXISTING HIRING AUTHORITIES

The new examinations will replace all current authorities or examinations used to fill these positions. Existing PACE alternative examinations and delegation of examining agreements will terminate once the new examinations are implemented.

Employment commitments may be made under the existing Schedule B PAC authority prior to implementation of the new examinations. When the new examinations are implemented, provision could be made to have employees serving under Schedule B PAC excepted service appointments converted to competitive service appointments.

ANNOUNCING THE NEW EXAMINATIONS

In addition to the formal examination announcements, a pamphlet will be distributed to college placement offices which describes the new examinations. The College Hotline will also provide information about the new examinations. This is a "900" number through which an applicant can learn about application procedures for various entry level (GS–5 and 7) positions and request application forms.

An FPM bulletin will also be issued announcing the program to the Federal community.

Senator PRYOR. The Office of Personnel Management provided a response recently to my request for some detailed information on recruitment efforts. OPM said that it did not have any data on agency recruiting. Do you intend to begin collecting that information so OPM can tell which methods work best? I hope that you will.

Ms. NEWMAN. Yes.

Senator PRYOR. Do you have any final comments? Ms. Newman, I want to just say one thing personally. We have great hope for you. People are excited about your presence in this job. I don't get very excited about a lot of people who take over agencies, but somehow I think that you have what I call the RMA, the right mental attitude. I think you do have the right mental attitude.

I know of your past efforts in this field, and your record is exemplary. I just am very sorry I did not personally get to your confirmation. I certainly sent my vote over, by proxy, in support of you.

One final comment I might make—and I am offering you a lot of suggestions today. I can run everyone else's business but my own pretty well. Maybe it might be good from time to time if you would go to Des Moines, Little Rock, San Antonio, Albany, or Magnolia, Arkansas, and apply for a Federal job and try to get some information.

They may not know you as well in those parts as we do here, and you wouldn't have to tell them that your capacity is what it is. But I think it might be very, very educational. In fact, I think it would be educational for all of us.

I know I went out one time and worked in 12 nursing homes so I could get some firsthand knowledge of what was happening. That was really educational for me. And I think if you looked at it, and I know you will, from the standpoint of the job applicants and those desiring entering the Federal Government in whatever capacity, I think it would take us a long way.

Do you have any final comments?

Ms. NEWMAN. No.

Senator PRYOR. Ms. Newman, thank you.

Ms. NEWMAN. Thank you.

Senator PRYOR. And, Mr. Smith, thank you very, very much.

Ms. NEWMAN. Thank you very much.

Senator PRYOR. Our next panel is—I hope I can get all of our names correct now—Rosslyn Kleeman, the Senior Associate Director, GAO, General Accounting Office; and Dr. Patricia W. Ingraham, Project Director, National Commission on the Public Service. We look forward to your statements and we will have a couple of questions later.

Ms. Kleeman, this is not the first time you have been before this Subcommittee.

Ms. KLEEMAN. No, indeed, it isn't.

Senator PRYOR. We welcome you back.

TESTIMONY OF ROSSLYN S. KLEEMAN, DIRECTOR, FEDERAL WORKFORCE FUTURE ISSUES, U.S. GENERAL ACCOUNTING OFFICE

Ms. KLEEMAN. I am pleased to be back and to discuss our assessment of how college students perceive the Federal Government as an employer. I would like to submit my full statement for the record,[1] please, and give you a very shortened version.

Senator PRYOR. It will be placed in the record.

Ms. KLEEMAN. Many studies have concluded that the national work force will grow more slowly than it has in recent years, and these same studies tell us that the Government will need people with increased skill levels. This means that the Federal Government will have to do something to ensure that it is in a competitive position to get its share of talented college graduates.

Unfortunately, our work and studies by other groups have shown that the Government is already having difficulty recruiting and retaining the quality people it needs. Given our concern about these problems, we plan to study a number of related issues, and currently we are examining the attitudes of students and other prospective employees toward the Federal Government. We are looking at OPM's recruiting processes and, at your request, we are also completing a case study on how IRS does its recruiting.

Although no firm conclusions can be drawn from the discussions we have had to date, three themes seem to be appearing in all of our interviews. One is that students say they don't know what jobs are available in the Federal Government. Both students and new employees told us that the process for getting that information and then finding a Federal job is confusing, untimely, and difficult.

The second theme is that students say they want fulfilling jobs, but they don't believe that Government work provides excitement or satisfaction. And, third, even though some students say they want to work for a certain Federal agency, they believe they may not be able to afford to do so, particularly in high-cost areas, because Federal pay is inadequate.

What are some of our more specific findings so far? The problem I mentioned earlier, the lack of useful and readily available information on Federal employment, came up time after time in our interviews.

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[1] See p. 52.

There was consensus in our discussions that students felt stymied when trying to find answers to such basic questions as, "How do I apply for a job?" This is similar to what your interns found.

Many said their college placement offices had little more than very general information. Several students who found a way to contact the Office of Personnel Management or a specific agency said that the people or the machines that they talked to couldn't answer their questions about particular occupations or jobs.

Another reported problem is that many agencies either don't actively recruit on college campuses or they use less than effective recruitment techniques. For example, the students and new hires we spoke with said that recruiting brochures, videos, and career fairs are too impersonal and they do very little to attract potential employees.

These young people looked for contact with agency employees who could speak forthrightly about their work. The students and those recently hired suggested that they were most impressed by knowledgeable, enthusiastic recruiters. They also suggested that agencies invite students to visit their facilities or to have line managers come to the classrooms and discuss their specific work.

People in our discussion groups were also confused about the job application process. They believed that some of the confusion resulted from the many different application processes. Sometimes a job is filled from an OPM register or a list. Sometimes a job can be filled directly by an agency. Some positions require written examinations and others don't.

In some cases, students told us that after they completed forms they were notified they were on an OPM register, but after that they heard nothing. Others said they were notified about jobs different from the ones they had applied for, leaving them quite baffled.

Although people we talked to stressed wanting easier access to information about jobs, our discussions also indicated that that may not be enough to convince many young professionals that the Government can provide them with an enriching career.

While students generally said they were looking for intangible rewards in a job—challenging assignments, the ability to make a difference—many doubted they would find these in Federal employment. They viewed the Government as big, monotonous, and bureaucratic.

Fortunately, some of these impressions we heard from students were contradicted by an excitement and sense of mission held by some of the new Government employees that we talked to.

For example, I was out in San Francisco last week and talked to an import specialist who had just come to work for the Customs Service, and she said, "My friends were really surprised when I told them what my job entailed; that was not at all what they expected of a Federal job."

So I believe that if good experiences like this are brought to the attention of students by Federal agency recruiters, it can create positive impressions of Federal work and of Government.

However, our discussions with students and new employees also indicate that although money may not be a prime motivator, inadequate pay may be a significant deterrent to Federal recruitment.

For example, an economics major who was rated as a GS–5 said "$15,000 is not going to feed me."

Overall, although many of the students told us they were willing to work for less than their peers who chose the private sector, there was a need for a certain salary to pay off student loans and to meet general costs of living.

In our review of IRS' college recruiting program, we found the same problems that I have mentioned that we found in our interview groups. These were non-competitive starting salaries, the hiring process, and the negative image of IRS and the Government.

We visited placement officers and deans at 8 colleges and universities where IRS recruits, and they agreed that starting salaries and the hiring process were very important impediments.

IRS has taken some steps to alleviate some of the obstacles that we found. For example, district offices have established a campus executive program in an attempt to improve relations with at least one college or university in the IRS district by designating a district official to establish a continuing working relationship with the school.

And although some of the campus officials we interviewed had positive things to say about IRS' recruiting efforts, many suggested additional ways they felt IRS could improve its recruiting posture. Interestingly enough, many of the suggestions were the same ones that the students and the new hires in our discussion groups told us about.

Some of the suggestions were that IRS provide part-time instructors at their colleges and universities, that they make regular recruiting visits, and that they continue to stress the positive aspects of public service and a career in Government.

We plan to continue talking to students and others, and keeping track of what OPM is doing in their new processes. We will keep you informed about our progress.

I think that summarizes my statement. I would be glad to answer any questions that you have.

Senator PRYOR. I just have one question now, and then I am going to return for a couple more later. When agencies go to the campuses, for example, the IRS, trying to recruit employees, what would the starting salaries be?

Ms. KLEEMAN. IRS does have special rates for revenue agents in the Manhattan district so that they can hire above the regular GS–5 and GS–7 salaries for them. Other GS–5s and GS–7s without special rates are currently hired at $15,738 and $19,493 respectively.

Senator PRYOR. Most people who go from college into the Federal work force, would they be GS–5?

Ms. KLEEMAN. They would probably start at a 5 or a 7. Students with a masters degree would start as a 9.

Senator PRYOR. A 9?

Ms. KLEEMAN. Yes.

Senator PRYOR. And what would that salary range be? What is a GS–9?

Ms. KLEEMAN. About $23,000, $25,000 something like that. I am not sure of the exact amount.

Senator PRYOR. You know, I don't see how IRS is going to recruit any lawyers. I know in our State, in some of the law firms, and not

even the largest law firms, they start the graduates off at about $35,000 or $40,000 a year. What does the IRS start an attorney off for? Do we know?

Ms. KLEEMAN. I don't have that information.

Senator PRYOR. We will get that information.

Ms. KLEEMAN. I would be glad to supply that for the record. We do have the information on all of these salaries.

[The information of Ms. Kleeman follows:]

APPROVED GENERAL SCHEDULE 4.1% INCREASE EFFECTIVE JANUARY 1989

Step	1	2	3	4	5	6	7	8	9	10
1	$10,212	$10,555	$10,894	$11,233	$11,573	$11,773	$12,108	$12,445	$12,461	$12,780
2	11,484	11,757	12,137	12,461	12,601	12,972	13,343	13,714	14,085	14,456
3	12,531	12,949	13,367	13,785	14,203	14,621	15,039	15,457	15,875	16,293
4	14,067	14,536	15,005	15,474	15,943	16,412	16,881	17,350	17,819	18,288
5	15,738	16,263	16,788	17,313	17,838	18,363	18,888	19,413	19,938	20,463
6	17,542	18,127	18,712	19,297	19,882	20,467	21,052	21,637	22,222	22,807
7	19,493	20,143	20,793	21,443	22,093	22,743	23,393	24,043	24,693	25,343
8	21,590	22,310	23,030	23,750	24,470	25,190	25,910	26,630	27,350	28,070
9	23,846	24,641	25,436	26,231	27,026	27,821	28,616	29,411	30,206	31,001
10	26,261	27,136	28,011	28,886	29,761	30,636	31,511	32,386	33,261	34,136
11	28,852	29,814	30,776	31,738	32,700	33,662	34,624	35,586	36,548	37,510
12	34,580	35,733	36,886	38,039	39,192	40,345	41,498	42,651	43,804	44,957
13	41,121	42,492	43,863	45,234	46,605	47,976	49,347	50,718	52,089	53,460
14	48,592	50,212	51,832	53,452	55,072	56,692	58,312	59,932	61,552	63,172
15	57,158	59,063	60,968	62,873	64,778	66,683	68,588	70,493	72,398	74,303
16	67,038	69,273	71,508	73,743	75,473	[1] 76,678	[1] 78,869	[1] 81,060	[1] 82,500	
17	[1] 76,990	[1] 79,556	[1] 82,122	[1] 82,500	[1] 83,818					
18	[1] 86,682									

[1] The rate of basic pay payable to employees at these rates is limited to the rate for level V of the Executive Schedule, which would be $75,500.

The Internal Revenue Service starts attorneys at GS–11, Step I, at $28,852. Occasionally, the IRS will hire an attorney with an outstanding academic background at GS–11, Step 6, at $33,662. Right now, the IRS has a hiring freeze, but whenever that freeze is lifted, it predicts that the Estate and Gift Section will have a difficult time in competing for attorneys with the private sector.

Senator PRYOR. Pat, we would like to hear from you now—Dr. Patricia Ingraham, Professor, University of New York at Binghamton. We appreciate very much you being here today.

TESTIMONY OF PATRICIA W. INGRAHAM, Ph.D. PROJECT DIRECTOR, TASK FORCE ON RECRUITMENT AND RETENTION, NATIONAL COMMISSION ON THE PUBLIC SERVICE [1]

Dr. INGRAHAM. Thank you for the opportunity to speak about this very important subject. I speak this morning not only as the Project Director for the Volcker Commission, but also as a teacher and adviser to undergraduate and graduate students who would enter the public service, as well as to mid-career students who are already in the public service.

You already know that Federal recruiting problems are very serious. I think we already know as well that there is no single solution. This is for a number of reasons. The first is that the Federal work force is remarkably diverse. In 1987, for example, only 2.7

[1] See p. 72 for Dr. Ingraham's prepared statement.

percent of new entrants to full-time professional Federal positions had backgrounds in public administration, government, or political science. The vast majority were from backgrounds such as accounting, engineering, scientific and technical fields, health-related fields, and a variety of other very specialized and very different kinds of occupations. Each of these requires a separate kind of recruiting strategy and a separate kind of recruiting plan.

Second, no single solution will suffice because we are facing very different conditions in the next 20 to 40 years. Every demographic projection available tells us that the work force will grow at a slower rate. There will be more women and recent immigrants, and there will be a larger number of educationally-disadvantaged members of the work force. This, too, will create new recruiting difficulties and require new strategies.

Recruiting problems are difficult to solve because they have many sources and many causes. Some are tied directly to pay. Some are tied to lack of information, to lack of interest, to a poor perception of the public service, or to a simple intolerance of the cumbersome procedures that we currently operate with.

Finally, no single solution will suffice because of the vast disparity that exists in recruiting capabilities in Federal agencies. OPM said last month that 58 percent of the Government agencies have no recruiting budget; 49 percent spend nothing on recruiting advertising; 53 percent give their recruiters no training; 66 percent assign recruiting responsibilities as a collateral duty; and 50 percent have no recruiting brochures. Quite clearly, this is a dismal capability to face real recruiting problems.

The nature of those problems vary along five major dimensions. The first is region of the country. This is very clearly tied to pay, and most agencies report serious difficulties in recruiting in the Northeast and in California.

The IRS told us at one of our task force hearings that 50 percent of the people they were able to recruit and, they thought, hire as accountants took other jobs between the time they offered them the job and the time they were actually able to put them on the payroll.

The second major level of variation deals with occupation. Certainly, for scientific and technical personnel, for engineers, for computer scientists, for health personnel, there is great difficulty for all Federal agencies in attempting to bring people into Federal employment.

Not surprisingly, agencies that have high concentrations of those hard-to-hire occupations are in a very serious bind. As early as 1987, the Naval Research Lab was telling us, for example, that their recruiting difficulties were making it difficult for them to meet their agency objectives and their agency missions.

The fourth major level of variation is by level of hire, and we have paid a great deal of attention to recent college graduates. Indeed, the evidence of a problem here is dramatic. Even among graduates of schools of public administration and public affairs, the Federal Government is very rarely the employer of choice.

Many research efforts, including a survey conducted for our National Commission, report that students simply do not perceive Government employment to be challenging or even to be interest-

ing. In our survey of honor graduates, less than 14 percent of the respondents told us that they felt Government work would use their personal capabilities to the fullest.

As you know, this perception of a boring and unchallenging Federal workplace is made worse by political rhetoric which has consistently devalued the public service for the last 20 years.

There is a long series of surveys which tells us the rhetoric has taken its toll and that senior career managers—in the past, some of our most effective recruiters because they can communicate the challenge and the complexity of a Federal career—no longer are willing to recommend a Federal career to young college graduates or to anyone else, for that matter.

Accompanying the negative perception is the simple lack of a system for getting in, and you have heard a great deal of discussion about that as well. There is another related element, and that is the personal contacts which the students have.

I think your student intern comments this morning are reflective of the general condition. They are not particularly shocking to a teacher of public administration. That is a fairly common experience and it is a sad experience.

Let me say, however, that Federal agencies generally are far too cavalier about the personal contact that must be so significant in a hiring. We simply don't pay close enough attention to who speaks with potential recruits and what they say.

Let me tell you just very briefly one experience I had this year with some of my students. I was successful in urging our career development officer to bring more Federal recruiters to campus. One came in the spring. We had nine students sign up; all were interested in Federal employment. Our particular program is a good program. This year, half of our students were honor graduates, so they were a good potential pool.

The recruiter asked all the students to gather for a joint meeting at 8:30 so he could talk about the agency and its purpose. The students were there. The recruiter missed the meeting. He arrived 1½ hours late, refused to reschedule appointments, said that he would rush through if all the students waited. So he did; he rushed through.

He told them virtually nothing about the agency. He told them nothing about Federal employment, except that he made about $35,000 a year and he actually did very little to earn it. The students were furious. The career development officer was livid, and I had a lot of fast talking to do at the end of this particular time.

This is precisely the kind of experience that we ought to guarantee never happens, but as the OPM statistics I cited earlier indicate, well over half of our Federal agencies simply don't have the capacity to guard against it.

Finally, let me discuss the dimension of quality. This is a difficult issue and it is a bit tricky. Some people have said that our current perception of decline in quality is related to a too rosy remembrance of the good old days. Some have said our evidence is flimsy.

It seems to me, however, that failure to recognize the decline of quality is a bit like waiting to be run over by a train simply to be sure that one is coming. If we don't have quality recruits, we are not able to provide quality service, and that is what the public

service is all about. That problem needs to be addressed, and it needs to be addressed now.

Given the complexity and the many components of this issue, what are some potential solutions? The Task Force's major recommendations were these: The value and challenge of a public service career must be communicated often and widely. President Bush's positive statements so far are one step in the right direction, as is the Career America campaign.

Two, a prestigious and competitive public service scholarship program should be created on the model of the military's ROTC programs. This serves two purposes. It restores a sense of prestige and honor to a public service career choice and it provides badly needed financial assistance to students who would make that choice.

Three, despite current shortcomings, decentralization of recruiting, testing and hiring must continue. Current Federal hiring needs are too complex and too diffuse to be dealt with in a centralized way. The agencies know their needs; they know the kinds of personnel they need and they must be given the authority and the resources to meet those challenges themselves. This must be closely monitored, I should add.

Four, we need to provide a flexible bag of tools for Federal recruiters. There is no question that competition will be much more intense in the future. Private recruiters are already devising new and interesting ways to recruit students and others. The Federal Government must have the capacity to do the same, not in every case, but certainly in some hard-to-hire occupations.

We need to expand the use of student internship and co-op programs. Research tells us that students who enter through these programs tend to stay in Government longer and that the Government employer is generally more satisfied with these employees. It is very important as well that these experiences be carefully structured, evaluated, and monitored.

Finally, we need to expand our recruiting horizons. We have tended to focus on recent college graduates, but a potential labor pool are recent retirees or those who take early retirement. The IRS currently has a "Start Your Career With Us" campaign slogan. We could as easily have a "Have a Second Career With Us," and this is a useful labor pool.

As the Nation ages and as the demographics change, the Federal Government must be ahead of the curve. If greater numbers of future employees will be women with families, it is necessary to make provisions now for benefits and options which will make Federal employment attractive for them.

These are the major recommendations of the Task Force. The full set is included as an attachment to my testimony, which I ask be included in the record. Thank you again for the opportunity to speak to you this morning. I will answer any questions.

Senator PRYOR. Dr. Ingraham, thank you, and thank you for the very detailed report. We are going to make this a part of the record. Your suggestions are well stated and, I think, very, very constructive. You come with a great deal of experience and knowledge in this area.

Ms. Kleeman, did you hear our interns this morning give their statements?

Ms. KLEEMAN. Yes, I did.

Senator PRYOR. Were there any surprises there for you?

Ms. KLEEMAN. No. I think I have heard the same experiences from the students that we have talked to, and it is certainly distressing to hear these experiences.

Senator PRYOR. These are very bright people and they were all pretty discouraged, I think.

Ms. KLEEMAN. I might say I tried what you suggested to Ms. Newman, when I was in San Francisco, to apply for a Federal job, and the information center there closed at noon and I got there a few minutes after noon.

Senator PRYOR. I know that years ago, back in the dark ages when I was Governor of our State, from time to time I would just pick up the phone and call the various agencies of our State government, trying to ascertain who was answering the phone, what kind of response the average citizen might be getting to some of their questions, not necessarily in job applications, but just the general demeanor of how a citizen might be impressed or not impressed with that person on the other end of that phone. That is so important and so critical.

I go back to Ms. Bradshaw's letter about her son. I have worn this letter out, but she talks about how, in his case—and I have a lot more mail similar to this—how he was just sort of absolutely despondent and his confidence was eroded. He ultimately lost confidence. Dr. Ingraham, I bet you know of cases like this when this occurs.

Dr. INGRAHAM. Absolutely.

Senator PRYOR. They finally give up.

Dr. INGRAHAM. It is very discouraging for the students, and it is particularly discouraging if they have identified this as an employment opportunity in which they are really interested, because then to go through that kind of cycle is a very unfortunate experience.

Senator PRYOR. Now, we have talked about IRS a little this morning. It our understanding from GAO reports that if an individual has a particular skill and wants to work in the Dallas IRS office, and if they have no openings, there might be other openings around the country, let us say, Memphis, Atlanta, or San Francisco where they are begging for this type of individual. But the computer system in Dallas doesn't talk to the other offices about these things. In other words, they don't affirmatively show to the other district offices that they have a person that Memphis, Atlanta, or San Francisco might be interested in and refer their name and address. No communication or referral of this type exists between district offices.

Ms. KLEEMAN. This is true of the general recorded announcements that you get in various parts of the country, because I have tried calling the job centers when I have been in other cities and you only get the information for that specific office, and even then you don't get very detailed information.

Senator PRYOR. I hate to talk to a machine.

Ms. KLEEMAN. I find it difficult.

Senator PRYOR. I am just not good at talking to machines. In fact, I hate to admit this; I don't even know how to work our microwave. [Laughter.]

We have a VCR that just gathers dust. I would not begin to try to work the VCR. I am non-mechanical, and I think that is part of my negative obsession about talking to a machine. I don't know—something in my childhood, I guess. I will have someone analyze that some day.

You all have been very nice to come. One final question. I might pose this to Dr. Ingraham. What about using the grade point average? Is this something that we should give more or less emphasis to?

Dr. INGRAHAM. I think a grade point average is useful in combination with other factors. To be a successful Federal employee, you not only have to have a certain level of intelligence, you need to have good communications skills, and, very importantly, you need to have people skills.

So if we have a way of supplementing the grade point average with a brief interview or with additional information which demonstrates that this person really can work with people, really is able to communicate orally and in writing, then the grade point average could be useful. Alone, I think it tells us not all that we need to know about a student.

Very briefly, just this week I had to write a letter of recommendation for one of my students who had a 4.0, perfect straight A's, and my letter had to be extremely toned down because, frankly, I wouldn't hire him, for a whole variety of reasons. The people skills were strongly lacking.

Senator PRYOR. That gives some of us hope that did not have a 4.0. [Laughter.]

I want to thank Dr. Ingraham and Ms. Kleeman, and let me state, too, that we are going to leave the record open for a few days. We have some other questions we would like you two experts in this field to comment on and we will submit those to you in writing.

Dr. INGRAHAM. I would be delighted to respond.

Ms. KLEEMAN. I would be happy to answer.

Senator PRYOR. Thank you very much.

Dr. INGRAHAM. Thank you very much.

Ms. KLEEMAN. Thank you.

Senator PRYOR. I will now call our next panel, which consists of: Paul T. Weiss, Associate Administrator for Administration, GSA, accompanied by Sally Kraus Marshall, Director of Personnel, GSA; P.L. Schittulli, Director of Civilian Personnel, U.S. Air Force, accompanied by Richard Endres, Chief, Staffing and Employment Development Division, U.S. Air Force.

I am going to ask, because we do have a number of witnesses yet to go—in fact, the four of you and then three more to follow—if we might summarize your statements, and I will give each of you 5 minutes. We are going to place all of the statements in the record.

We would appreciate hearing from you, and we would call on you at this time, Mr. Weiss. Thank you.

TESTIMONY OF PAUL T. WEISS, ASSOCIATE ADMINISTRATOR FOR ADMINISTRATION, OFFICE OF ADMINISTRATION, GENERAL SERVICES ADMINISTRATION,[1] ACCOMPANIED BY SALLY KRAUS MARSHALL, DIRECTOR OF PERSONNEL

Mr. WEISS. Thank you, Mr. Chairman. I will just hit the high points of our testimony, in the interest of time.

Senator PRYOR. Thank you, sir.

Mr. WEISS. We do believe that GSA has enjoyed a great measure of success with its college recruitment program over at least the last couple of years. Since reinstituting recruitment on college campuses in January 1987, we have hired more than 750 graduates into entry-level positions at GS–5 and GS–7 levels. We have accomplished this during a period when some felt that Government could not hire quality graduates.

During the past fiscal year, the grade point average of our recruits was 3.2. Many of GSA's occupations are in business-related fields; 43 percent of our recruits possess business and business-related majors. During 1988, minorities represented approximately 25 percent of our total new hires, as compared to 16 percent in the previous year.

We believe these successes are due in large part to the following major characteristics. First, GSA's top management was and is committed to a successful college recruitment program. Recent GSA administrators realized that after years of reductions in force, realignments, and reorganizations, there was very little new talent coming into the agency.

Our managers received a clear message that we must begin to revitalize the agency by recruiting on college campuses. Our senior managers began to visit college campuses. A number of them went back to their alma maters to recruit. In some cases, we were the first Federal recruiters to visit those campuses in years.

Secondly, prior to visiting campuses, we decided we would use a team approach, which we have found to be very successful. A representative of the personnel office accompanies the program manager on these recruitment visits. The program manager can specifically describe the position to be filled, as well as the organization's mission and function, while the personnel specialist can address the Federal employment process.

Third, we developed a first-class recruiting brochure to tell the GSA story. Our brochure incorporates our annual report, including the summary of GSA mission, goals and accomplishments, and a financial statement. Supplemental job applicant information is also included.

Fourth, in order to effectively communicate to graduating students that GSA is recruiting on college campuses, we advertise in a number of publications geared to college students and graduates. Our first ad was placed in Business Week Careers Magazine. We received over 2,000 inquires from this ad alone. Since then, we have advertised in the Wall Street Journal College Edition, Black Collegiate Magazine, and are planning ads for Hispanic Magazine and College Placement Annual.

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[1] See p. 133 for Mr. Weiss' prepared statement.

Fifth, in addition to our college recruitment effort, we also have a college relations program which markets the GSA as an employer.

Since the inception of our college recruitment effort, we have made more than 300 visits to college and university campuses nationwide, attended numerous job fairs, and held a workshop for about 50 college and university placement directors to inform them of GSA's mission, employment opportunities, and employment processes.

Our college relations program also targeted 15 historically black colleges and universities to make them aware of GSA's employment and the potential within the agency.

Sixth, we also monitor and report our college recruitment accomplishments within GSA. Each major organization reports on a quarterly basis the total number of hires, broken out by numbers and percentage of minorities, grade point average, major, and type of degree. This information is always accessible through the agency's executive information system to the GSA's Administrator and 137 other key officials.

Finally, we believe our career development opportunities, coupled with a certification program identifying specific training and work opportunities required at the various performance levels, offers not only career growth and training, but guides employees along their chosen career paths.

College recruitment requires commitment and resources, including staff time, advertising, development and printing of recruitment literature, as well as orientation and other employee development programs. We feel this investment is worth it, because the demographics of both the agency and the country show that we will be losing our professional work force to retirement at the same time that fewer and fewer graduates will be entering the work force. We are certain that the long-term health and stability of the agency requires an aggressive college recruitment program.

In summary, I would say the Government can compete with industry for quality college graduates. However, this belief is contingent on a number of factors. We must have a commitment from agency leadership, must train our recruiters, screen our representatives—sending only our very best to the college campuses—and be prepared to receive, challenge, and make welcome our new hires.

Although the Federal college recruitment program has come a long way over the past few years, as I allude to in my prepared statement and the other witnesses have alluded to, some improvements must be made in the salary structure, in application procedures, and in regulatory flexibility.

I specified those in my prepared statement, so I won't go into them now, Mr. Chairman, but will close with the offer to respond to any questions you may have.

Senator PRYOR. Thank you for your excellent statement.

Mr. Schittulli.

TESTIMONY OF P.L. SCHITTULLI, DIRECTOR OF CIVILIAN PERSONNEL, U.S. AIR FORCE,[1] ACCOMPANIED BY RICHARD E. ENDRES, CHIEF, STAFFING, EQUAL EMPLOYMENT OPPORTUNITY, AND EMPLOYEE DEVELOPMENT DIVISION

Mr. SCHITTULLI. Yes, sir. The Air Force, Mr. Chairman, hires well over 1,000 college graduates each year, and over 40 percent of the college-level recruiting is done centrally from what we call the Palace Acquire Intern Program. It costs us about $25 million. Top commitment from the leadership of the U.S. Air Force realizes that you can never mortgage the future. One must invest in the future, and that is what we do with the intern program.

Most of our remaining college-level recruiting is done by two commands, Air Force Logistics Command and Air Force Systems Command, which together employ some 110,000 civilians. So it is quite a large business.

In Palace Acquire, our career programs people target specific schools based on our projected staffing needs and the kinds of degrees offered by the schools. What I am really saying here is that the functional manager, the line manager, the one who knows engineering, who knows financial management, goes out to the schools and actually does the recruiting.

Career planning and placement offices at these schools are sent our recruiting materials well in advance and we work hard to maintain a relationship with them throughout the year. We sometimes place ads in local publications.

For the most part, interviews are conducted by top-level Air Force civilian managers who are in the best position to evaluate candidates and to sell Air Force in their career fields.

Palace Acquire interns are not required to fill out the SF-171 application for Federal employment. Instead, with OPM's permission, we accept resumes and translate them into proper format for candidates after they are hired. Job offers may be made by line managers the day after the interviews to top candidates. We offer jobs to the next best group of candidates in 2 to 4 weeks, and we give all selectees 2 weeks to accept or decline, and extensions are even possible.

This is an example of the type of brochures we send out and I will leave them for the record, sir.[2] For example, these brochures include a pre-stamped postcard for those wanting face-to-face contact with a recruiter, not a machine.

Mr. Chairman, these efforts can pay off in terms of quality hiring. Last year, the average GPA for Palace Acquire interns was approximately 3.2. Despite these efforts, we are encountering some problems.

Our applicant pool is shrinking. We are having to target more and more colleges in order to achieve our intake objectives. In addition, our normal offer declination rate of 50 percent has risen to 56 percent in 1989. This compares to a 25-percent declination rate based on second interviews in the private sector.

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[1] See p. 147 for Mr. Schittulli's prepared statement.
[2] The brochures referred to have been retained in the Subcommittee files.

We also surveyed those who declined job offers. In fiscal year 1989, 34 percent of those declining job offers cited low salary, and many specified the lack of advanced pay as a factor in their declination.

Some cited our inability to help with the expense of relocating to the first duty station as a factor in their declination.

Obviously, these numbers do not count those potential candidates who don't even visit our recruiters. For example, we had five vacancies at Vandenburg Air Force Base as part of the SDI structure. We hired at Iowa State University, had 15 applicants, made some good selections, and shipped five of them out there because we are allowed to pay first duty station for engineers.

The problems become more acute in the specific career fields. Currently, the biggest impediment in our ability to hire quality engineers in the Air Force is the rate of salary at the GS–5 and GS–7 levels. For many years, the special rates for these positions have been at the 30-percent maximum, and industry continues to widen the entry pay level gap.

In the past, we have been able to sell students on subsequent promotions to catch up with private industry, but this only goes so far. The GS–5 pay for engineers is $20,400, meaning that we have great difficulty in getting quality hires with industry paying $30,000, on an average.

Over the coming months, we need to examine possible actions that would enable us to maintain competitiveness, such as locality pay differentials, expansion of the special salary rate range beyond 30 percent, and hiring above the normal entry level of the Step 1.

Our recruitment efforts are also geographically-sensitive. We are most successful in recruiting from schools in mid-America. However, on the East and West coasts, we are not competitive. At Hanscom Air Force Base, Electronic Systems Division, one of our major R&D laboratories in the Boston area, we could not hire any computer specialists, contract specialists, and only 10 engineers.

There are a number of things that could be done to offset some of this problem. Among them are the first duty station allowance and advanced pay, as I indicated. More effective marketing, a more streamlined appointment process, and more recruitment tools will help to make us more competitive.

The Office of Personnel Management can help pave the way for more effective agency recruiting, and we applaud their efforts to professionalize recruiting materials. The Career America materials developed by OPM reflects a turning point on how Federal civilian employment is marketed. We sell value, and our recruiting materials should reflect the highest quality production.

With respect to marketing, we could also take a lesson from the military services. They faced similar problems in the 1970's and turned their image around through more sophisticated marketing techniques, including television advertising and direct mailing to potential recruits.

We cannot wait for pay to improve in order to become more competitive in recruitment and retention. We believe there are incremental improvements that could be and should be considered.

If the administration's proposed degree payment program were enacted, this would be one more useful recruitment and retention

tool. Under current law, Federal agencies are barred from paying for training, the sole purpose of which is to permit an employee to obtain an academic degree. However, the current bar to degree training can be a disadvantage to the Government in competing in the marketplace for skills critical to Federal agency missions.

Many private employers offer full payment of degree training to help recruit key skills in increasingly tight labor markets.

These proposals are examples of what the Volcker report calls "a flexible bag of tools" that can provide a competitive edge to us. What many of these proposals have in common is that they are incremental, flexible, and do not call for additional appropriations—specifically, entitlements. Tools such as the degree payment legislation will help us to become more competitive at the margin where competition often occurs.

Recruitment is a major challenge to Federal agencies. We are constantly learning. There is more that we can do and should do, and we welcome the Subcommittee's interest and attention. We believe that the 1990s can be a growth market for Government in quality employees if we have the tools and flexibility to compete.

Thank you, sir.

Senator PRYOR. Thank you for your fine statement.

Let me ask both of you a question. Tell me a little bit, if you would, about the training program for the people who go out and recruit. We heard one of our witnesses today talk about one of the recruiters who came to her campus; it was not pleasant. How do you train these people?

Mr. WEISS. Mr. Chairman, I will give you the generalities, and I will ask Sally Marshall to give you the specifics of how we go about it. We identify people who represent the best of GSA in management positions who know their programs well, and who can go out and articulate them to potential recruits.

And then we also bring them into our personnel shop and give them a briefing as to how they can best present the GSA story. I will ask Sally to specify exactly what we do.

– Senator PRYOR. Ms. Marshall.

Ms. MARSHALL. Yes. Our findings have been that a team concept with a program manager and a personnel specialist to handle both sides of the question is the best team that we can field, and giving them pre-prepared packages, recruitment brochures, and briefing and training has worked well for us.

Senator PRYOR. Do you have certain things you want them to say? Do you have certain ways that you want them to try to entice these potential Federal employees into the Federal force?

Ms. MARSHALL. Yes. Our experience indicates that most college recruits are looking for an opportunity for a meaningful, positive, exciting, challenging job. So we believe in explaining some of the exciting programs that we have career opportunities in.

Secondly, we believe that the impact they can have and the career development and progression they can have in entry-level jobs in the Federal sector versus the private sector is also something they are interested in.

Senator PRYOR. Mr. Schittulli, how do you do your training?

Mr. SCHITTULLI. Very similar. We do send a functional manager out to the field to the campus with a personnel individual. These

are front-line managers and they go out to the colleges that are targeted in engineering, for example. An engineer would go out there.

We take these people before they hit the campuses and spend about a week training them in a specific location, giving them all the techniques necessary for effective interviews, and it works very effectively.

Senator PRYOR. Are either of you utilizing any program today which might, say, not just appeal to the college graduate or the potential graduate to become a career employee, but, let us say, that second-career individual or maybe even a retired person? Do we have such programs?

Mr. WEISS. We do use a mid-level register from OPM to hire into the mid-level jobs. It is not as aggressive as the college recruitment program, quite frankly, and we do hire reemployed people from time to time, but it is not a high priority in our recruitment process.

Mr. SCHITTULLI. As you are well aware, we have two groups within the Defense Department and we have a law which directs the hiring of spouses. So we do target a lot of our recruiting for the hiring of military spouses.

In addition, we have the retired military that we go after because when they retire they have skills that we can use. In fact, about 9 percent of Air Force civilians are retired military.

Senator PRYOR. I see.

Ms. Marshall.

Ms. MARSHALL. We also are using some of the same techniques we learned and developed in our college recruitment program, and that is job fairs, specifically targeted job fairs for science and high technology jobs. We have had several of them here in the Washington metropolitan area, as well as OPM has sponsored them around the country that have been successful for mid-career entries.

Senator PRYOR. Very good. What is your relationship with OPM? Here, we have two separate entities of our Federal system. How do you deal with OPM? Are you independent of OPM or guided by them? What is that relationship?

Mr. WEISS. I think most recently, Mr. Chairman, we feel supported and guided by OPM. Their recruitment brochures and their very positive attitude toward the recruitment process and willingness to listen to agency's suggestions on simplifying that process have made them a true partner in recruitment. And if we can take those next few steps that we have enumerated—for example, simplifying the 171, simplifying a bit more the recruitment process that partnership is going to work even better, I believe.

Mr. SCHITTULLI. Actually, we have come a long way from the old days of OPM. We have got an excellent relationship with them now, working very closely with them. They come to us and discuss the policy changes to get the reaction of the agency users, and it has been very, very good. And I think we are on the threshold—as indicated by my colleague, with a few minor changes and a little more aggressive marketing, I think we are on our way to doing some of the things that need to be done in recruiting.

Senator PRYOR. How do you choose those campuses where you decide to go? How do you do that? You can't go to every college campus.

Mr. SCHITTULLI. No. We have about 70 to 80 that we go to, and we leave most of the decision up to the functional leadership. For example, the engineers know the engineering schools they need to get talent and they pinpoint recruiting there.

We also go to predominantly minority universities and do recruiting there. We go to different State universities which is where you find your rank-and-file recruits rather than going to Harvard or——

Senator PRYOR. You don't go to Yale, Harvard, Columbia?

Mr. SCHITTULLI. I am afraid we have gotten exactly one person in 2 years of attempts at Ivy League schools. You just can't compete financially with those schools.

Senator PRYOR. What about you, Paul?

Mr. WEISS. We target essentially the same schools that my colleague targets, but with four major criteria in mind. One is the type of degrees offered by the institution and how they fit into GSA's mission.

Secondly, we send GSA's college graduates back to their schools. We also look at the minority makeup of a college to help satisfy our minority recruitment efforts. Finally, we go to those colleges that want us, that invite us to come.

We visited 305 campuses over the last 2 years. Last year, it was 187; the year before, 118. So the number is growing over the years.

Senator PRYOR. Well, as you are thinking about where to go in the country to recruit on campuses, just don't forget Arkansas, okay?

Mr. WEISS. Absolutely not.

Ms. MARSHALL. We have been there twice.

Senator PRYOR. Good, thank you.

Mr. ENDRES. Mr. Chairman?

Senator PRYOR. Yes, Mr. Endres.

Mr. ENDRES. I would like to point out that the Air Force did this year recruit at the University of Arkansas. We were delighted with the quality of candidates we found there.

Senator PRYOR. I think you will find fertile ground there.

Mr. ENDRES. May I add one other point? We have overlooked our blue collar wage-grade type employees. We have recruiting problems with them, too. OPM is working with us, but we are just starting in that area and we need to consider these candidates as well because they get just as frustrated as our college graduates.

Senator PRYOR. Do any of you go out to any of the vocational schools?

Mr. SCHITTULLI. Yes, sir. We have arrangements with vocational schools, do apprenticeship training, and we got some authority from OPM to work like a co-op process with them, which we find very, very advantageous.

We are talking about 100,000-some odd blue collar workers in the Air Force, and that is the backbone of our depot maintenance and our retrofit programs and we need to have that.

Senator PRYOR. This may occur or it may already have, but I just hope that Ms. Newman, our new and very splendid Director of

OPM, will gather up people like yourselves and have a day-long seminar with all the Federal agencies to try to see what you have done. Perhaps, you can share ideas, and I think that would be very, very encouraging to see the sharing of ideas among the agencies because I think that you are on the right track. I hope you are. At least, you sound very positive about it.

Mr. SCHITTULLI. Thank you.

Senator PRYOR. I want to thank all of you very much.

We will call our final panel. Our final panel is Robert Tobias, President of the National Treasury Employees Union; Steven Kreisberg, Director of Field Operations, National Federation of Federal Employees; and John Sturdivant, President of the American Federation of Government Employees.

Mr. Sturdivant has not made it yet. He is on the way. He just called, I think, from a car phone and will be here shortly.

Mr. Tobias, we will take your statement, and we appreciate your being here.

TESTIMONY OF ROBERT M. TOBIAS, NATIONAL PRESIDENT, NATIONAL TREASURY EMPLOYEES UNION [1]

Mr. TOBIAS. Thank you, Senator Pryor. It is a pleasure to be here, especially to talk about this very important issue. The method of selection for employment is the critical distinguishing characteristic between a civil service system and a patronage system. The debate on this question should be well settled.

Since the passage of the Pendleton Act in 1883, the Federal service has been committed as a matter of law and public policy to the selection of employees based on relative ability. This policy has been implemented with merit system principle number one, which unequivocally states that selection and advancement should be determined solely on the basis of relative ability, knowledge, and skills after fair and open competition, which assures that all receive equal opportunity.

Selection of employees is not a matter of unrestricted management prerogative or discretion. Rather, it is a matter of public interest to be accomplished in accordance with the requirements of law and public policy.

The growing inability of the Federal service to recruit and retain employees at all levels does not stem from the principles embodied in the merit system. We believe that the failure to be able to recruit and retain employees is based on the fact that real wages in the Federal sector have declined 25 percent since 1971.

In addition, the gap between Federal and private sector wages has grown to 26 percent since 1978. Federal health benefits are sub-standard, and employees' premium costs are prohibitively expensive. In many areas, the Federal workplace is dirty, dangerous, and a threat to employee health.

The quick-fix solution offered by OPM fails to acknowledge or recognize the unrelenting assault over the last 20 years on the concept of a public service selected on the basis of competence and insulated from the demands of partisan administration.

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[1] See p. 158 for Mr. Tobias' prepared statement.

As far back as the Nixon years, a White House aide stated, "You cannot hope to achieve policy, program, or management control until you have achieved political control. That is the difference between ruling and reigning."

Senator PRYOR. And who made that statement? I mean, that was in a past administration?

Mr. TOBIAS. That was in the Nixon administration, yes. One other past administration, the Reagan administration, instituted its own program to make the career service more politically responsive. Reductions in force, transfers and removals of career officials, increases in the number of political appointees, political hit lists, and the use of performance appraisals to enforce ideological purity were all part of the Reagan administration's opening gambit to establish political control of the civil service.

And now we are confronted with yet another reform proposal, a reform that seeks not to change the law mandating merit selection, but simply proposes to ignore it. As with most of the reforms of the past 20 years, the OPM hiring plan wears the false face of promised increased flexibility, efficiency, and the ability to attract the best and the brightest to the Federal service.

Beneath the mask, however, lurks the reality of the unlimited potential for hiring based on patronage, personal favoritism, and nepotism. It is a subterfuge for OPM's ongoing failure to adequately address, much less resolve, the issue of establishing valid selection procedures.

For 7 years, OPM has evaded and delayed meeting its legal obligation to develop non-discriminatory, competitive selection procedures. OPM eliminated 118 Federal occupations formerly covered by the Professional and Administrative Career Examination from the competitive service, and has done very little to replace any kind of an examination for those 118 occupations.

OPM's delaying action was taken despite its own recognition as early as 1982 that it would not, "be selecting employees by the best merit hiring procedures," and that, "merit selection was wounded," through its non-competitive hiring program.

Further, 5 years later, the Merit Systems Protection Board warned that continued non-competitive hiring for those positions previously in the competitive service was not, "consistent with Merit System Principle 1."

While OPM conceded that it wounded merit selection in 1982, its new proposal is a death warrant for the merit system. The salient feature of the OPM plan is not its supposed focus on recruiting bright college graduates. It is not the plan's purported testing of character, as well as ability, or its self-described slick promotional literature. These are a glossy coat of paint on a rotted structure.

The salient feature of the plan is the virtually unrestricted agency discretion to select and hire without regard to the legal and public policy requirement of fair and open competition based on relative ability.

The centerpiece of the OPM plan is the direct, on-the-spot hiring of any college graduate who has a minimum grade point average of 3.0 or 3.25. Selection, according to OPM, can now be based on the more intangible aspects of human character that can only be measured by human contact.

There is no requirement that potentially interested applicants be notified of job openings or interview schedules. There is no requirement that all interested applicants be interviewed. There is no requirement that even a minimum number of applicants be interviewed. There is no criteria for assessing or rating the relative ability of the applicants. There is no requirement for the ranking of the applicants or for the selection among the highest ranked. There is no provision for veteran's preference.

In sum, there is no fair and open competition based on relative abilities with equal opportunity for all. There is no attempt to meet even the minimal requirements of the law for either merit selection or veteran's preference.

The impact of abuse in the selection process is not limited to the point of hire. It shapes and defines the work relationship, creates a set of obligations unrelated to the public service, and sends the unmistakable message to all other employees that merit is not the measure of the system. Hiring based on patronage or personal favoritism percolates through the system and distorts all subsequent personnel actions and decisions.

NTEU supports efforts to simplify the recruitment process and to find innovative solutions to achieve the principles of merit selection. These solutions must be based on the essential requirements of competitive selection—for example, non-discriminatory, valid measures of the relative abilities of all interested applicants; ranking of the applicants according to relative abilities; and selection from a specified and limited number of the highest ranked. OPM has offered no such solution.

NTEU proposes that OPM, under its new Director, work together with all interested and affected parties to find real solutions to provide for non-discriminatory, merit hiring. We ask that Director Newman shelve the hiring plan announced in June 1988 and begin the process of correcting past mistakes in the selective procedures.

Thank you very much.

Senator PRYOR. Thank you, Mr. Tobias. The entirety of your statement will be placed in the record.

Mr. Kreisberg.

TESTIMONY OF STEVEN M. KREISBERG, DIRECTOR OF FIELD OPERATIONS, NATIONAL FEDERATION OF FEDERAL EMPLOYEES [1]

Mr. KREISBERG. Thank you, Mr. Chairman.

I appreciate the opportunity to be here to testify about OPM's Federal recruitment practices, and specifically the Career America program. We have two basis of opposition to the Career America program, and that is the Outstanding Scholar Program and the individual achievement record.

The Outstanding Scholar Program is something OPM came up with to correct what they perceived to be their inability to recruit the best and the brightest. They believe that the program involving on-the-spot job offers is the only alternative to the time-consuming process that we now have. We disagree. We think there is a sub-

[1] See p. 180 for Mr. Kreisberg's prepared statement.

stantial middle ground that can be reached between the program that OPM wants to put in effect, which would have on-the-spot job offers, and the process that they have now of windows closing down early and the SF-171s, which seem to go on interminably.

Many schools, in fact, discourage their students from accepting on-the-spot offers. They believe a student should go back and weigh their alternative job offers, and the Federal Government, by pushing that approach, could actually be losing some people.

Skill-based exams must be developed, not only to capture college graduates, but to capture those who have not had the opportunity to go on to college but yet still could possess the basic skills necessary for the functioning of our Government.

The Outstanding Scholar Program also would limit, geographically, which schools are selected. It may not be feasible to go to Little Rock, Arkansas. It may not be feasible to go Tulsa, Oklahoma, and it may not even be feasible to go to New York City. However, individuals and students at those locations may indeed want to and desire to work for the Federal Government.

We heard a witness testify earlier—I believe it was from the GSA—about managers going to their alma mater to recruit students. We think that is fine. I think recruitment at universities is what it is all about. But when those recruitment efforts turn into on-the-spot job offers, we are actually carving out a special privilege for those particular students that had the good fortune to go to a university where Federal managers now have graduated from.

So the preference for fraternity brothers and alma maters just should not exist, and it would exist in the program as it is now structured. You also could indeed lose out on applicants from predominantly black institutions, from relatively new institutions, smaller institutions, and those in geographically remote areas.

There is also no standardization between universities about GPAs. A GPA at one school of 3.5 may not be nearly as difficult to attain as a GPA of 3.1 at a different university. These are problems that OPM has not grappled with with their on-the-spot hiring authority that they intend to implement.

The individual achievement record is another source of concern to us. The IAR is supposed to measure certain attributes and attitudes and characteristics of successful employees, and then go back and select others who have those similar attributes.

The test is designed to measure employees, but not skills, and we have difficulty with this. We believe all hiring decisions must be based upon skills and experience and achievement. If you can't measure back there, you are going into a situation where there will be a perceived inequity, a perceived unfairness with the system.

Looking at the IAR exam, you see questions dealing with self-evaluations and how others look at you, and you see questions dealing with what clubs I belonged to in high school. I would submit, to a 25 or a 30-year-old individual, they won't see what clubs they belonged to in high school being very significant as an employment decision, especially an employment decision by the Federal Government, which should be held to a higher standard than that of a private corporation.

I think the whole administration's effort is to try to catch up with the private sector. I would submit that we have to go beyond

what the private sector is doing. We can't simply be satisfied with mirroring what an IBM or a General Motors will do. They do not have the same kind of obligations that the Federal Government does to prospective employees.

Until we can get to the point where we catch up with what we are really trying to do and assess our goals adequately, we really can't develop a hiring system that is going to get out the kind of work force that we would like to see in the Federal Government.

The final point we would like to cover in our testimony is some of the Volcker Commission recommendations in this area. We subscribe to most of them. I think we have got a system right now in the Federal workforce where we have got a beleaguered workforce.

Our own employees may not be the best advertisement for coming to work for their company, the Federal Government. That has been well covered here, well documented as far as the attacks. That is beginning to stop, and I think that is a good thing. We will see some of the best and brightest coming back.

But you have also got to get competitive compensation. We cannot survive in a system where we are 25 to 30 percent behind in pay and benefits. You are just not going to attract employees.

Now, even if you catch up in pay and you catch up with the image, you have still got the difficulty of people coming into a Federal system, the maze of regulations that predominate Federal hiring and predominate all of Federal employment. We must simplify the process for applicants. Applicants must know where to go to get the information, and when they get there they have got to get that information. The window can't close.

But that entails an appropriation of resources over there into the recruitment area that doesn't now exist. We have been cutting programs, and one of the program cuts may very well be the recruitment of personnel. So we are not going to solve the problem for free. It is going to involve some expenditure of resources into pay and benefits, but also an expenditure of resources into the hiring process.

Staffing costs money, and if you look in the private sector, they are going to spend some money on it. We seem to be trying to get everything for free, and you can't get it for free with employees and you can't get it for free in a staffing policy.

That concludes my statement.

Senator PRYOR. Mr. Kreisberg, thank you, and the full body of your statement will be placed in the record. You did a very good job summarizing it, and we appreciate your suggestions.

Mr. Sturdivant, we are glad you are here.

TESTIMONY OF JOHN N. STURDIVANT, NATIONAL PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES [1]

Mr. STURDIVANT. Thank you, Mr. Chairman.

Senator PRYOR. You had a close call this morning, but we appreciate your effort to be here, and thank you for appearing.

Mr. STURDIVANT. Well, I do operate on the edge at times.

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[1] See p. 194 for Mr. Sturdivant's prepared statement.

Thank you, Mr. Chairman. I am President of the American Federation of Government Employees. We represent over 700,000 Federal workers who work in agencies throughout Government, many of whom started their Federal careers at the college-entry level.

I have a long statement that I would like to submit for the record that talks about the technical aspects of the program and gives our position on those. I would like to say, to summarize, though, that we really beg the question when we look at procedures on how to get people in and whether or not you are doing it fairly, and that whole thing. We are really begging the question.

We believe that inadequate compensation is the primary cause for the Federal Government's overall personnel problems, which include difficulties in both recruitment and retention of high-quality employees.

We do recognize, however, that the Federal hiring system is cumbersome and slow-moving, and we are pleased that the Office of Personnel Management has begun to address this problem through its various procedures.

We do have some concerns with some of those procedures in terms of their potential for abuse, particularly since OPM has not really set forth the specifics of its proposals. For instance, there is nothing to prevent an agency head with strongly-held ideological beliefs from directing his or her recruitment efforts toward universities with similar ideological tendencies.

If there are more than enough candidates with sufficiently high grade point averages, how are hiring decisions to be made among them? What is to stop a recruitment officer from hiring the children of friends, for example, and will any consideration be given to the quality of the college?

To prevent these and related potential problems, we would seek broad reporting requirements by agencies with respect to data on race, sex, GPA, college, position recruited for, et cetera, if a person is hired, so that any abusive hiring practices could be identified and dealt with.

As a union, AFGE represents current employees, not potential employees. Thus, we are very concerned that any new hiring procedures do not close off opportunities for current employees to compete for these jobs. OPM has assured us that this would not be the case and the new plan could actually help some employees currently trapped in dead-end jobs by opening up new avenues for obtaining jobs via the new testing procedures.

We would prefer that the new initiatives be coupled with an initiative for broadened education and training, career ladders, and upward mobility for current Federal workers. We have good people in the workforce now. Those people need an opportunity, they need training, they need leadership, and they can do the job.

Again, most importantly, we do not believe that the Federal Government's recruitment problems can be solved until total compensation, including salaries, health, life, and retirement benefits, are improved to meet prevailing rates in the private sector.

For instance, the Federal Government pays $1,100 less for Federal workers' health insurance than do the prevailing industries, and we think that is a disgrace. And we are not going to be competi-

tive, we are not going to get the best and the brightest unless we can compete for them on salary, benefits, and compensation.

We look forward to working with the Committee, OPM, and other interested parties to move ahead on hiring and other recruitment programs which will attract the highest quality employees to the Federal Government.

If the Chairman and members of the Committee have any questions, I would be happy to try to respond.

Senator PRYOR. The four of us have a similarity of interest, a mutuality, I guess I would say, of interest. I think when people see us walking down the street, they say Federal Government, Federal Government. All of you represent Federal employees. I represent the people of Arkansas in the Federal system, et cetera. So when they see us, they think of the Federal Government.

People come up to me all the time and ask, how do I get a Federal job, Senator Pryor? Do they come to you and ask you the same? What do you tell them?

Mr. STURDIVANT. It has been very difficult for me over the last couple of years to recommend Federal employment to anybody that I have come in contact with. In fact, my daughter just recently went to work for the Federal Government a couple of years back. She got that job on her own, and my question to her is why do you want to do that? Why don't you finish college and do something else?

But it is very difficult. People do not know how to get the information. It is not readily available, and once they get into the process, once they get into the system, they have a hard time getting through. But, once again, the procedures are just part of it.

We need to be competitive in order to attract the best and the brightest, and once we are attracting those folks and we are competitive, then we will have an incentive to make it easier and more readily available.

Senator PRYOR. Mr. Tobias, Mr. Kreisberg, how do you respond when they ask how they can get a job in the Federal Government?

Mr. TOBIAS. My response is that it is very difficult, especially if you are applying for a job for which there is no examination, because what that means is you are applying for an excepted service job. You have to file your application by agency, by location; by geographic area.

So if you want a job with an agency which is filling an excepted service job—for example, if you want to be a Customs inspector—you have got to file it everywhere. You have got to file that application everywhere because they don't process centrally. There is no competitive exam to compare one person to another.

So it is when you hit somebody's desk who happens to be in the mood to hire or who has the opportunity to hire who makes a decision as to whom will be interviewed and then ultimately whom will be selected.

So the system which is in place today is not a very good system, and what we are saying, Senator Pryor, is the system that is being proposed has the effect of perpetuating the kind of failure to evaluate relative abilities and relative skills.

Senator PRYOR. Were either of you here earlier this morning when our four interns testified?

Mr. TOBIAS. I was not here.

Senator PRYOR. Okay.

Mr. KREISBERG. I was here, and I think that is kind of what our answer would be. When we are approached, when we do get these letters in three or four times a week, how do I get into the Federal Government, our response tends to be, well, we don't know, but if you find out, we would love for you to tell us, and that really is the truth.

I think what these four students—I guess, interns—went through this morning seems to be very common. Friends and associates who want to come in at the mid-level or upper levels of the Federal Government have similar experiences. No one knows where to go. There doesn't seem to be a clearinghouse.

If you call OPM, you tend not to get the kind of response that will get you in the right direction. The responses that we are giving are basically, call your regional OPM office and hopefully they will know of an agency that is recruiting that has budget, that has available vacancies that they can fill. That is another problem. We have got, it seems like, endless hiring freezes.

So if you point somebody in one direction, there is a hiring freeze there and you have got to think of another direction to point them in.

Senator PRYOR. In the past, did the Federal employees unions actually go out and recruit people to come to work for the Federal Government? Has that ever been part of the unions' responsibility or goal or practice?

Mr. TOBIAS. We never participated in selecting people, but we have participated in the past in offering a favorable image for an agency as a vehicle for Federal employment, but we don't do that today.

Mr. STURDIVANT. As a local union president, I worked for an agency that had severe problems as far as recruitment of minorities and women. We basically took that on not only as part of negotiating our contract and pushing for an affirmative action program. We did take that on, making sure that word got out, pushing the agency to broaden its scope of searches for applicants. So I did that, but it was quite a few years ago when I was a local union president.

Senator PRYOR. Do you have any——

Mr. KREISBERG. A current program that we have now right now——

Senator PRYOR. Pardon me.

Mr. KREISBERG. We do have a program in place now. It is a scholarship program designed for graduating high school students and college students who indicate an interest in pursuing a Federal career, and we call it the Nate Walkimer Scholarship Fund. It has scholarships of up to $500 a year for such students. It is available to members' sons or daughters or members themselves, and that is a current program that we now have in place.

Senator PRYOR. OPM has been telling us now for a good while that they are about to come out with a new recruitment plan, new hiring plan, et cetera. Have you seen the plan?

Mr. TOBIAS. No.

Mr. STURDIVANT. No.

Senator PRYOR. Have you been asked to counsel with the OPM about the plan or any provisions of the plan?

Mr. STURDIVANT. In fact, if you look at our testimony, we basically raised the same questions about OPM's proposed plan last year. And we checked with them and, to our knowledge, they have not moved on what they said they were going to move on.

Senator PRYOR. When was the last time that the Federal employee unions—and I use that generically—say the three of you, just sat down and talked to the Director of OPM informally, not in front of TV cameras or lights or microphones, but just sat down and talked about some of the problems that we all face? Can you recall that?

Mr. STURDIVANT. I did some of that after my recent election with Constance Horner because of my desire to build a new working relationship.

Senator PRYOR. Was it beneficial?

Mr. STURDIVANT. Yes, it was, and we are looking forward to having that same type of working agreement, understanding, with Ms. Newman.

Mr. TOBIAS. I met informally with Ms. Horner on several occasions. We have not ever met informally as a group. To my knowledge, I can't remember ever meeting informally as a group, which is kind of an interesting prospect.

Senator PRYOR. Mr. Kreisberg?

Mr. KREISBERG. Our national president recently has met Ms. Newman at another gathering and they have made a commitment to get back together and try to meet, and that is right in the works. So we anticipate a formal meeting with the new Director of OPM and our national president some time in the next few weeks.

Senator PRYOR. Formal or informal?

Mr. KREISBERG. Well, we don't necessarily have to attach a name to it. I think it will be a frank discussion of ideas and directions.

Senator PRYOR. Well, I don't think you are going to make much headway with a formal meeting with anyone. I think they should be informal. I wish Senator Stevens were here. I remember a few years back there was a little problem and he got some good Alaska seafood over at his home and had us all over for 2 or 3 hours. We worked out our problems, with a lot of diverse interests. I will never forget that, and maybe we should try some of that in the future.

Well, I want to thank the three of you for coming and representing your people and representing them well. I also want the record to take note of the fact that Ms. Newman is still here. She has listened intently to all of these suggestions and some criticisms this morning. Hopefully, we have learned a lot, and we will leave this meeting and pursue some positive avenues of approach.

The meeting is now adjourned. Thank you.

[Whereupon, at 12:02 p.m., the Subcommittee was adjourned.]

APPENDIX

STATEMENT OF
HONORABLE CONSTANCE BERRY NEWMAN
DIRECTOR, OFFICE OF PERSONNEL MANAGEMENT

before the

SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE,
AND CIVIL SERVICE
COMMITTEE ON GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

at a hearing on

FEDERAL RECRUITMENT POLICIES AND PRACTICES

JUNE 19, 1989

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

THANK YOU FOR INVITING ME TO APPEAR THIS MORNING TO DISCUSS FEDERAL RECRUITMENT POLICIES AND PRACTICES. I AM ACCOMPANIED BY CURTIS J. SMITH, OPM'S ASSOCIATE DIRECTOR FOR CAREER ENTRY AND EMPLOYEE DEVELOPMENT.

I AM PARTICULARLY PLEASED THAT THIS HEARING, WHICH IS MY FIRST CONGRESSIONAL HEARING AS DIRECTOR OF OPM, CONCERNS FEDERAL RECRUITMENT, SINCE I BELIEVE THIS AREA PRESENTS SOME OF THE MOST IMPORTANT CHALLENGES THAT WILL FACE ME AT OPM.

BOTH THE VOLCKER COMMISSION REPORT AND OPM'S OWN CIVIL SERVICE 2000 REPORT HAVE MADE CLEAR THAT THE FEDERAL GOVERNMENT IS GOING TO HAVE TO APPROACH EMPLOYEE RECRUITMENT FAR DIFFERENTLY FROM THE WAY IT HAS IN THE PAST IF WE ARE TO MAINTAIN A QUALITY WORKFORCE. NO LONGER WILL THE GOVERNMENT BE ABLE TO SIT BACK AND WAIT FOR CANDIDATES FOR EMPLOYMENT TO

PRESENT THEMSELVES AND ENDURE LONG DELAYS BEFORE OBTAINING JOBS. DEMOGRAPHIC CHANGES ARE GOING TO MAKE THE AMERICAN LABOR MARKET MORE AND MORE COMPETITIVE IN THE FUTURE, AND WE ARE GOING TO HAVE TO SEEK OUT EMPLOYEES, LOOKING LONGER AND HARDER AND IN GROUPS WHERE THE GOVERNMENT HASN'T LOOKED VERY MUCH BEFORE. WE ARE GOING TO HAVE TO BE ABLE TO INTEREST HIGH-QUALITY CANDIDATES IN FEDERAL EMPLOYMENT EVEN THOUGH OUR PAY AND BENEFITS MAY NOT BE COMPARABLE WITH WHAT OTHER EMPLOYERS ARE OFFERING. WE ARE GOING TO HAVE TO BE ABLE TO MAKE HIRING DECISIONS MORE QUICKLY, KNOWING THAT OTHER EMPLOYERS ARE ALSO SEEKING TO HIRE THE PEOPLE WE ARE CONSIDERING.

ALL OF THIS IS GOING TO REQUIRE TREMENDOUS CHANGE BY OPM AND BY THE FEDERAL AGENCIES THAT ARE DOING THE ACTUAL HIRING. ONE OF MY FIRST PRIORITIES AT OPM IS GOING TO BE REVIEWING EXACTLY WHERE WE SHOULD BE GOING IN FEDERAL RECRUITMENT. THIS MORNING, HOWEVER, I THOUGHT IT WOULD BE USEFUL FOR THE SUBCOMMITTEE IF WE GO OVER SOME OF THE RECENT ACTIONS OPM HAS BEEN TAKING TO MEET THESE CHALLENGES.

OPM'S ROLE IN RECRUITMENT IS A PARTNERSHIP WITH THE FEDERAL AGENCIES THAT ACTUALLY ARE HIRING THE EMPLOYEES. WHEN IT COMES TO THE PERSON-TO-PERSON CONTACT IN A JOB INTERVIEW, WHERE THE GOVERNMENT TRIES TO INTEREST A CANDIDATE IN A

PARTICULAR JOB, IT IS THE AGENCY THAT HAS TO BE THERE AND HANDLE THAT INDIVIDUAL CONTACT. OPM CONCENTRATES ITS EFFORTS ON FACILITATING THESE INDIVIDUAL CONTACTS.

THE "CAREER AMERICA" RECRUITING MATERIALS HAVE BEEN A MAJOR IMPROVEMENT IN THE FACE WE FIRST PRESENT TO COLLEGE STUDENTS AND OTHER CANDIDATES. NOW THE GOVERNMENT IS ABLE TO PROVIDE ATTRACTIVE, MODERN BROCHURES THAT COMPARE FAVORABLY WITH THOSE USED BY OTHER MAJOR EMPLOYERS. WHILE A BROCHURE MAY SEEM INCONSEQUENTIAL, IT IS ACTUALLY VERY IMPORTANT IN PRESENTING THE IMAGE OF THE GOVERNMENT AS AN ATTRACTIVE PLACE TO WORK. IN THE COMING YEAR, OPM PLANS TO MAKE A MAJOR EFFORT TO EXPLAIN TO AGENCIES HOW TO USE THESE MATERIALS AND OTHER MODERN TECHNIQUES IN RECRUITING--HOW IMPORTANT IT CAN BE, FOR EXAMPLE, TO SEND OUT TO THE CAMPUSES PEOPLE WITH WHOM THE STUDENTS CAN IDENTIFY, AND WHO ARE ACTUALLY DOING THE JOBS FOR WHICH THE AGENCIES ARE RECRUITING. OPM HAS ALSO BEEN MAKING MORE OF AN EFFORT TO WORK WITH COLLEGE PLACEMENT OFFICES, SO THAT THEY WILL BE AWARE OF THE FEDERAL JOB OPPORTUNITIES FOR THEIR STUDENTS.

IT IS ESSENTIAL THAT PEOPLE WHO ARE INTERESTED IN FEDERAL EMPLOYMENT HAVE A READILY AVAILABLE PLACE TO SEEK INFORMATION, AND OPM IS WORKING TO IMPROVE THE AVAILABILITY OF INFORMATION ABOUT JOB OPPORTUNITIES. IN ADDITION TO THE

FEDERAL JOB OPPORTUNITIES LISTINGS, OPM HAS BEEN DEVELOPING A VARIETY OF "SELF-SERVICE" TELEPHONE INFORMATION SYSTEMS TO PROVIDE INFORMATION ABOUT FEDERAL EMPLOYMENT IN GENERAL AND JOB VACANCIES IN PARTICULAR. IN THE NEXT FEW WEEKS, OPM WILL BEGIN OPERATING A COLLEGE HOTLINE, A NATIONWIDE TELEPHONE SYSTEM, USING A 900 NUMBER, DESIGNED FOR RECENT COLLEGE GRADUATES WHO ARE INTERESTED IN PROFESSIONAL AND ADMINISTRATIVE CAREER OPPORTUNITIES. IN A FEW MONTHS, A NEW FEDERAL CAREER DIRECTORY WILL BE PUBLISHED, WITH INFORMATION ABOUT 177 FEDERAL AGENCIES AND THEIR JOB OPPORTUNITIES.

ONE OF THE BIGGEST HURDLES THE GOVERNMENT HAS HAD TO FACE IN HIRING CANDIDATES HAS BEEN THE LENGTH OF TIME INVOLVED IN THE FEDERAL HIRING PROCEDURE. OPM HAS BEEN WORKING TO CUT THESE DELAYS, BOTH THROUGH DECENTRALIZING THE EXAMINING PROCESS AND THROUGH AUTOMATING OPM'S OWN WORK. EXAMINING AUTHORITY HAS BEEN EXTENSIVELY DELEGATED TO AGENCIES, AS PERMITTED BY LAW, AND WE HAVE GRANTED AGENCIES DIRECT-HIRE AUTHORITY FOR MANY SHORTAGE CATEGORIES. OPM HAS BEEN SPEEDING UP ITS HANDLING OF APPLICATIONS, TESTS, AND ISSUANCE OF CERTIFICATES THROUGH USE OF COMPUTERS, OPTICAL SCANNERS, FAX MACHINES, AND THE LIKE.

OPM HAS TRIED TO GIVE AGENCY MANAGERS MORE FLEXIBILITY IN HIRING, THROUGH SUCH MEANS AS DELEGATING TO AGENCIES THE AUTHORITY TO USE ADVANCED IN-HIRE RATES FOR CANDIDATES WITH

SUPERIOR QUALIFICATIONS, AND AUTHORITY TO USE PRIVATE SECTOR SEARCH FIRMS WHERE NORMAL MEANS HAVE FAILED TO TURN UP CANDIDATES. AND AS THE SUBCOMMITTEE KNOWS, OPM IS NOW WORKING ON A MAJOR CHANGE IN THE WAY MOST COLLEGE GRADUATES ENTER THE FEDERAL SERVICE, WITH BOTH DIRECT COLLEGE HIRING OF QUALITY GRADUATES AND AN INNOVATIVE APPROACH TO WRITTEN TESTS.

IT IS CLEAR TO ME THAT OPM HAS BEEN MAKING MAJOR CHANGES IN AN EFFORT TO ENABLE THE GOVERNMENT TO COMPETE SUCCESSFULLY IN THE LABOR MARKET OF TODAY AND TOMORROW. I PLAN TO REVIEW THESE CHANGES CAREFULLY AND TO EXAMINE ADDITIONAL OPTIONS TO DECIDE WHAT FURTHER NEEDS TO BE DONE, AND I LOOK FORWARD TO WORKING WITH THIS SUBCOMMITTEE IN THE FUTURE ON THESE IMPORTANT ISSUES.

THANK YOU. WE WOULD BE PLEASED TO ANSWER ANY QUESTIONS THE SUBCOMMITTEE MAY HAVE.

UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, D.C. 20415

OFFICE OF THE DIRECTOR

JUL 14 1989

Honorable David H. Pryor
Chairman
Subcommittee on Federal Services,
Post Office & Civil Service
United States Senate
Washington, D.C. 20510-0402

Dear Senator Pryor:

The enclosed material is submitted in response to your letter of June 26, 1989, requesting additional information concerning Federal recruitment policies and practices.

In response to your interest I have also included flow charts of our hiring process. They include our current system for administrative professionals, our proposed system to replace it, and the system being used for shortage occupations (e.g., Engineers and Nurses).

Please contact me if you would like additional information or clarification of any of the information provided.

Sincerely,

Constance B. Newman

Constance Berry Newman
Director

Enclosures

1. When does OPM plan to implement its new hiring program? Is there any more specific information describing the program?

Answer

We would like to begin accepting applications in September or October of 1989. Of course, our target date is tentative pending final negotiations with the Luevano plaintiffs.

The following is a description of the new examining program broken down by general topics.

OVERVIEW
The overall title of the program is "Administrative Careers with America." The program covers approximately 100 positions previously filled under the Professional and Administrative Career Examination (PACE) and the subsequent Schedule B hiring process which resulted from the Luevano Consent Decree. The occupations are divided into job groupings based on similar requirements. Each group will be announced to the public as a separate examination within the overall program. The job groups are:

Group	Title
1.	Health, Safety and Environmental Occupations
2.	Writing and Public Information Occupations
3.	Business, Finance and Management Occupations
4.	Personnel, Administration and Computer Occupations
5.	Benefits Review, Tax and Legal Occupations
6.	Law Enforcement and Investigation Occupations
7.	Sixteen positions with positive education requirements, e.g., Economist, Archeologist, Archivist.

EXAMINING
The procedures for groups 1 through 6 will include:

- Use of a written test.
- Collection of data related to personal characteristics (Individual Achievement Record).
- Direct-hire authority for well-qualified candidates (Outstanding Scholar provision).

Applicants will be tested nationwide, either at the location they selected, if we are testing at that location, or at the test site closest to that location. The entire test session, including handing out and collecting the test materials, and providing instructions, will take approximately three hours.

Positions in group 7 will be announced individually as needs arise and there will be no written test. Applicants will receive a rating based on their experience and education.

INDIVIDUAL ACHIEVEMENT RECORD
The Individual Achievement Record (IAR) evaluates aspects of both experience and individual success in academic, employment, organizational, and interpersonal endeavors. The IAR is a multiple-choice format questionnaire which will take about 30 minutes to complete.

APPLICATION PROCEDURES
For positions in groups 1 through 6, an applicant will apply by submitting a Test Scheduling Card, OPM Form 5000AB, to take the appropriate written test. The scheduling card is included with an information packet that describes the qualification requirements and application procedures for each group. Applicants will then be provided an occupational supplement which collects information concerning qualifications. This form, which is commonly referred to as a "Form B," is electronically scanned to create an automated record for the applicant. The applicant does not need to complete an Application for Federal Employment, SF 171, at this time. An SF 171 is required as legal documentation when an agency hires an individual and may also be requested when an agency is considering an applicant for employment.

For positions in group 7, application procedures will be determined by Office of Personnel Management (OPM) area offices. Normally the applicant will be required to submit an SF 171 and a transcript of college course work.

CONSIDERATION FOR EMPLOYMENT
Certification from OPM registers will be done in score (rating) order. That is, the applicants with the highest ratings will be certified to agencies for consideration following all laws and regulations related to appointment in the competitive service.

In addition to hiring from OPM certificates, agencies may directly hire applicants if they meet the Outstanding Scholar provisions of the Luevano Consent Decree. Current provisions require a 3.5 grade point average. OPM has proposed modifying the grade point average required to somewhere in the range of 3.0 to 3.5.

EFFECT ON EXISTING HIRING AUTHORITIES
The new examinations will replace all current authorities or examinations used to fill these positions. Existing PACE alternative examinations and delegation of examining agreements will terminate once the new examinations are implemented.

Employment commitments may be made under the existing Schedule B PAC authority prior to implementation of the new

examinations. We will recommend that when the new examinations are implemented, employees serving in Schedule B PAC excepted service appointments be converted to competitive service appointments.

ANNOUNCING THE NEW EXAMINATIONS
In addition to the formal examination announcements, we will be distributing a pamphlet to college placement offices which describes the new examinations. We will also provide information over our College Hotline. This is a "900" number through which an applicant can learn about application procedures for various entry level (GS-5 and 7) positions and request application forms.

We will be issuing an FPM Bulletin announcing the program to the Federal community once we finalize our plans. At this point, we have informed agencies of our general plans.

2. Under the current proposal, OPM would give agencies hiring authority based on grade point average (GPA). How does that meet the statutory requirement that there be competitive exams for positions?

Answer

The authority to hire applicants based on GPA is called the Outstanding Scholar Provision. This special hiring provision was part of the Luevano Consent Decree in 1982 and is separate from the competitive examining system. The competitive examining system being developed will follow all applicable laws and regulations relating to hiring.

3. To what extent were the examinations that OPM is now instituting developed by contractors?

Have these new examinations been tested to ensure that they are non-discriminatory? Will OPM continue to monitor the results and recalibrate the standards as are many other national standardized tests?

Answer

The use of contractors in developing the new examinations has been limited to one function -- the writing of test questions. Approximately one-half of the questions on the new skills tests were written by contractors. These questions were written according to OPM's specifications and were reviewed to ensure conformity with the specifications. All other aspects of examination development, such as test design and test assembly, were conducted by OPM staff.

One portion of the new examination, the Individual Achievement

Record (IAR), has been shown in pretesting to be non-discriminatory. The job skills tests were developed later, and there has not been adequate time to conduct the extensive pretesting that is necessary to show that a test is non-discriminatory. However, extensive research with similar tests has shown them to be non-discriminatory in the sense of predicting job performance equally well for minority and majority group members. OPM plans to monitor the results of the operational use of the examinations and to conduct follow-up studies to assess the effectiveness of the examinations. Test fairness will be investigated as part of these studies. Should differential effects be found in test questions relative to the performance of minority groups, those test questions would be removed. This is, however, an unlikely occurrence in light of the results we have obtained from past studies.

4. Your testimony mentioned the Career America brochures. However, none of my interns were given those brochures when they visited the agencies. How are the brochures distributed and to whom are they usually given?

Answer

The Career America brochures were developed to provide basic information about the Federal government to college students and graduates. We have been using the brochures to educate and inform college and university placement directors, constituency groups, and professional associations of the Federal career opportunities available for their constituencies. We are also marketing the Career America package to Federal agencies to encourage its use in their recruiting programs. To date, over a million pieces have been ordered.

Career America is marketed as recruiting material that can be used by itself or as a supplement to an agency's existing materials so that it may recruit and attract the best talent into its workforce. Some agencies like EPA, USDA, NASA, Navy and GAO have developed and use their own agency-specific recruitment brochures. Some of the agencies are using Career America as their only recruiting material. Federal agencies are not required to use Career America in their recruitment efforts and its use is left up to each agency. Indications are, for those agencies that have ordered Career America, that they are using it for on-campus recruiting trips, at job fairs, and at career days in schools.

5. OPM is implementing a 900-number telephone service to distribute information to interested persons. However, at IRS and the Social Security Administration, I have found that telephone services can be incomplete or inaccurate and often

frustrate people by not giving them someone to talk to. Why doesn't OPM allow an interested applicant to talk face-to-face with a Federal employee?

Answer

The 900-number telephone service is intended as an additional information device primarily for college students and graduates, and is not intended to replace our current job information function. The service will provide an easily accessible source of information on positions typically filled by college graduates. The caller can obtain general information on benefits in the Federal sector, information on how to apply for a specific occupation, and can request application forms. We don't expect accuracy to be a problem, since the responses are pre-programmed and computer generated. We do agree that direct, personal contact is desirable when our automated systems fail to address a caller's needs, so we are working on a way to have return phone calls made when an inquirer leaves us a message.

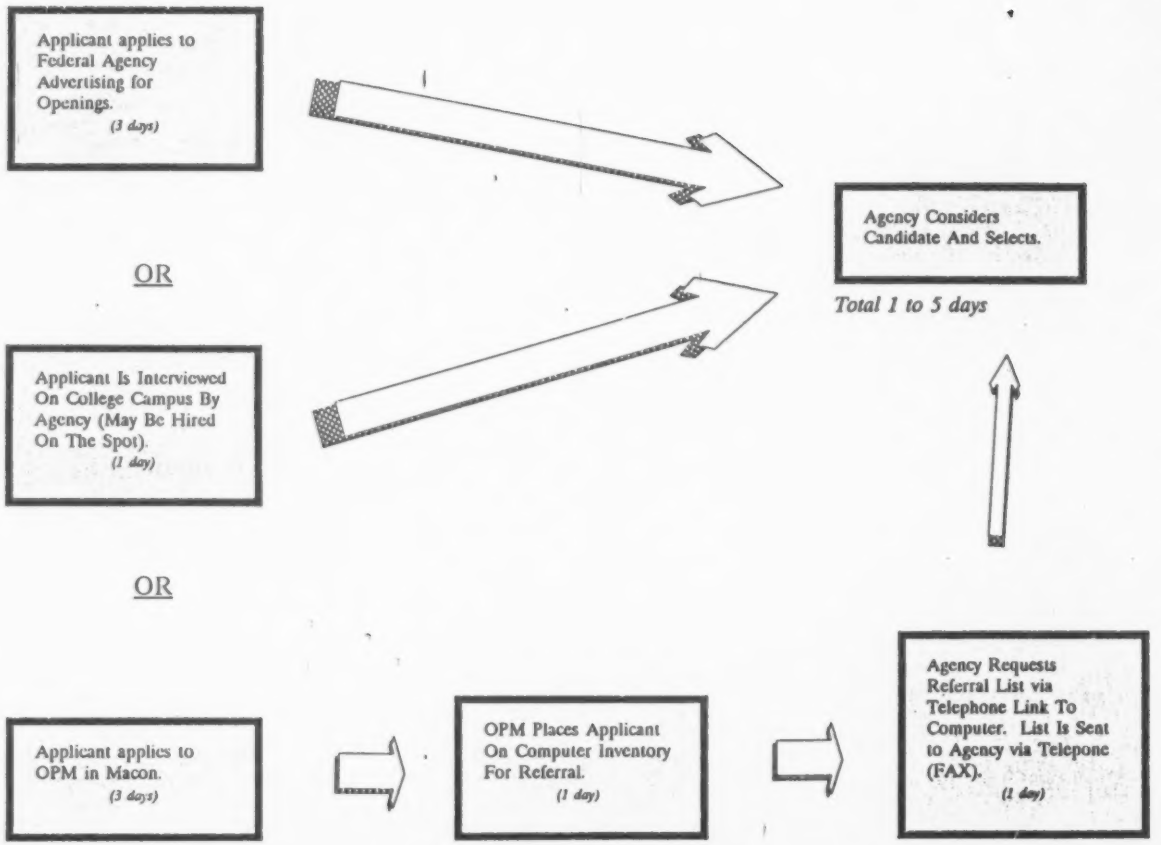
6. Has OPM worked with the agencies to design a training course for recruiters? Isn't it a good idea to provide some standardization across the agencies?

Answer

In the past year, OPM has assisted several agencies in the development of their own recruiting training workshops (EPA, FAA, USDA, Army). However, we agree it is a good idea to address the needs of the Federal agencies in the form of generic training modules that may be adapted for agency use. We are pursuing the development of a Governmentwide Recruiters Training Module. To determine if there was a need to train Federal agency recruiters, OPM conducted informal discussions and a formal assessment of Federal recruitment programs. The recent findings substantiate that the need for the professional development of recruiters is considered critical by many. This project is identified in our fiscal year 1990 work plans.

Additionally, last year OPM recognized a need to train college placement and career planning officials on the Federal employment system. A pilot workshop was developed and has been used successfully by OPM regional recruiting managers. The module will be made available to Federal agencies who may wish to conduct their own workshops for specific schools.

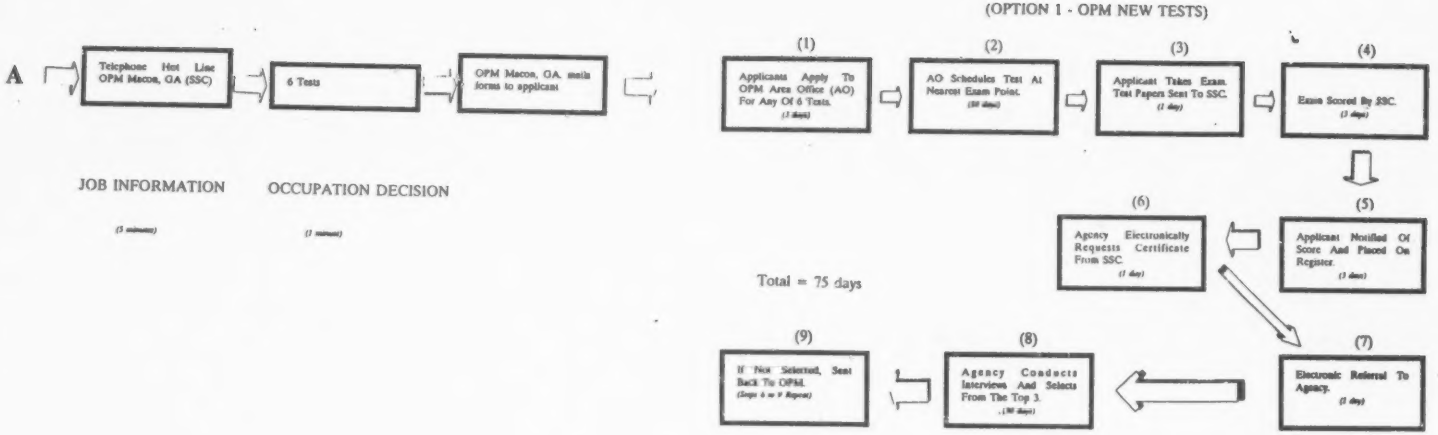
SHORTAGE OCCUPATION


Applicant applies to Federal Agency Advertising for Openings.
(3 days)
OR
Applicant Is Interviewed On College Campus By Agency (May Be Hired On The Spot).
(1 day)
OR
Applicant applies to OPM in Macon.
(3 days)
OPM Places Applicant On Computer Inventory For Referral.
(1 day)
Agency Requests Referral List via Telephone Link To Computer. List Is Sent to Agency via Telepone (FAX).
(1 day)
Agency Considers Candidate And Selects.
Total 1 to 5 days

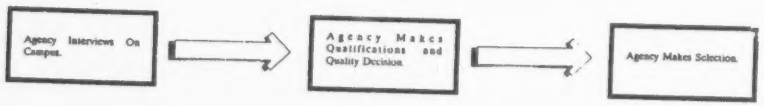
Proposed System

ADMINISTRATIVE GENERALIST

(APPLICANT DECISION)



(OUTSTANDING SCHOLAR)



Total - 1 to 5 days

United States General Accounting Office

GAO Testimony

For Release
on Delivery
Expected at
10:00 a.m. EDT
Monday
June 19, 1989

College Students' Perceptions of the Federal Government as an Employer

Statement of
Rosslyn S. Kleeman
Director, Federal Workforce Future Issues

Before the
Subcommittee on Federal Services, Post Office
and Civil Service
Senate Governmental Affairs Committee

GAO/T-GGD-89-32

COLLEGE STUDENTS' PERCEPTIONS OF THE FEDERAL GOVERNMENT AS AN EMPLOYER

Summary of Statement by
Rosslyn S. Kleeman
Director, Federal Workforce Future Issues

Many studies have pointed out the increasing intellectual sophistication and skill levels government work will require, and the resulting need for bright, capable employees to enter the federal service. In this environment, the federal government must ensure that it is in a competitive position to get its fair share of talented graduates. Unfortunately, GAO's work and studies by other groups, such as the National Commission on the Public Service, have shown that the government is not in a competitive position, and is already having difficulties recruiting and retaining quality people.

As part of its analysis of why recruiting problems are occurring, GAO is exploring the attitudes of prospective employees toward federal employment. GAO has held the first five of a planned series of conversations with groups of college and university students and newly hired federal employees. Although no conclusions can be drawn until the series is completed, several themes appear to be emerging in these conversations.

-- One is that students say they do not know what jobs are available in the federal government. They consider the process for getting that information and seeking a federal job to be confusing, untimely, and difficult.

-- Another theme is that students say they want fulfilling jobs, but believe that government work cannot provide excitement or satisfaction.

-- A third theme is that those students who say they would like to work for federal agencies believe that they may not be able to afford to do so, particularly in high cost areas, due to the inadequacy of federal pay.

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here to discuss our findings to date in an assessment of how college students perceive the federal government as an employer.

Many studies, such as the Hudson Institute's Civil Service 2000, have concluded that the national workforce will grow more slowly than it has in recent years, with the number of young workers actually declining. On the other hand, these same studies point out the critical need for bright, capable employees to enter the federal service, in view of the increasing skill levels government work will require. In the face of these challenges, the federal government will have to ensure that it is in a competitive position to get its share of talented graduates.

Unfortunately, our work and studies by other groups, such as the National Commission on the Public Service (Volcker Commission), have shown that the government is already having difficulties in recruiting and retaining the quality people it needs. Given our concern about these problems, and the prospect that they may worsen as time goes by, we plan to study a number of issues related to federal recruitment and retention. One of these issues is the attitudes of students and other prospective employees toward federal employment.

We have held the first five of a planned series of conversations with groups of college and university students and newly hired federal employees. Two groups were composed of interns from the Washington Center, an organization which provides college students from across the country with internship experiences in Washington, D.C. The other three groups included new federal employees, hired within the past year. These new employees discussed their experiences in obtaining federal jobs.

Although no conclusions can be drawn before the discussion series is completed, several themes appear to be emerging in these conversations. One theme is that students say they do not know what jobs are available in the federal government. Students and new employees alike believe the process for getting that information and seeking a federal job is confusing, untimely, and difficult. Another theme is that students say they want fulfilling jobs, but believe that government work cannot provide excitement or satisfaction. Finally, even though some students say they would like to work for federal agencies, they believe that they may not be able to afford to do so, particularly in high cost areas, due to the inadequacy of federal pay.

The five groups provided some interesting insights into why students hold these perceptions. It might be helpful to the Subcommittee if I went into some detail about what they had to say. Also, another GAO group is completing a case study of

college recruiting at the Internal Revenue Service (IRS). I will share some preliminary findings from that study as well.

Problems in the Recruiting and Selection Process

Convincing students to work for the federal government requires aggressive recruiting and "user friendly" job application and selection procedures. Unfortunately, at a time when federal employment should be as accessible as possible, most students we talked to said they perceive the hiring process to be complex, rigid, and slow.

One problem raised in our discussions is the lack of useful and readily available information on federal employment. There was consensus in our discussions that students felt stymied when seeking answers to such basic questions as: "How do I apply for a federal job?". Many believed college placement offices have little more than the most general information, and several students who had found a way to contact the Office of Personnel Management (OPM), or a specific agency, said the people they spoke with could not answer their questions about particular occupations or jobs.

Another reported problem is that many federal agencies either do not actively recruit on college campuses, or may be using less than effective recruitment techniques. For example, the students

and new hires we spoke with generally believed that recruiting brochures, videos, and career fairs are too impersonal, and do little to attract potential employees. Most impressive to these young people were one-on-one contacts with agency employees who can forthrightly speak about their work. Students suggested this can be accomplished by knowledgeable, enthusiastic recruiters. Other suggestions were to invite students to visit an agency facility, and to have line managers make classroom presentations.

A third problem mentioned in our discussion groups is confusion about the job application process. Some of this confusion results because application processes differ if jobs are filled through OPM registers or directly by an agency. Also, some positions require a written exam while others do not.

In a common scenario, a student would contact OPM, receive a list of job openings, and be told to contact each agency advertising a position of interest. The agency would then provide application information, and the student would complete the appropriate paperwork. In some situations, the student would be required to take a test, but in others would not. If a test is required, the student would have to wait until the date it is administered, and travel to the testing site. Also, depending on the position, some agencies could hire the student directly. If not, the student's name would be placed on an OPM register, from which the top 3 candidates would be circulated to agencies with job

openings. In this case, the student would not necessarily be a candidate for the job he or she originally inquired about, and may also be considered for a different position.

Image of Federal Employment

Our discussions also indicated that easier access to information about federal jobs may not be enough to convince young professionals that the government can provide them with an enriching career. While students generally sought intangible rewards in a job, such as challenging assignments, innovative management, and the ability to make a difference, many felt that they were unlikely to find such rewards in federal employment. This is because they viewed the government as "big", "monotonous", and "bureaucratic". Some also felt the image of the government was the problem. As one said, "[Y]ou have that attack all the time on the federal government--the government is the problem. Why would any reasonable individual want to turn around and decide, 'Gee, I want to be part of the problem?'."

Such images are much easier to create than to dispel. While it is true that there are some people and work experiences in government which fit the stereotypes and poor images that students brought to our discussions, many government jobs are tremendously satisfying and exciting. Some of the negative

impressions we heard from students were contradicted by the excitement and sense of mission held by some of the new government employees who took part in the discussions. For example, an import specialist newly hired into the Customs Service in San Francisco told us, "My friends were really surprised when I told them what [my job entailed]. That was not at all what they expected in a federal job." Comments by Presidential Management Interns, quoted below, give their sense of strong belief that federal employment can be a fulfilling experience:

> "Basically when my private sector friends say 'Ah, you people you're not earning anything,' and so forth, I say look, you're selling carrots and I'm dealing with the national debt. Who's having more fun? ...There's nothing wrong or tremendously egotistical or crazy about saying that a lot of what government does is simply, for whatever your reasons are, more important than selling carrots."

> "...I'm still idealistic enough to think that people are still motivated by public service whether it's the Peace Corps or whether it's a farm worker organization or whether it's working for an environmental group...[T]he idea of social responsibility still, for some people, is a worthwhile thing to do and if we can convey that the government really is into public service, that we're helping

> the community or the country or whatever...then people are motivated by that..."
>
> "...[I]t's important to know that there is potential to have influence on big things, whether it be policymaking or public policy or whatever. The government can have a big effect on what happens throughout our country and throughout the world..."

As these comments demonstrate, good experiences in government cán provide the intrinsic rewards young professionals desire, and create positive impressions of federal workers and government. Portraying this type of infectious enthusiasm on college campuses may be the government's best weapon against the negative stereotypes of federal employment. The key is finding out what makes these experiences so fulfilling, advertising it to potential emplcyees, and replicating similar experiences for new and established federal workers alike.

Insufficient Pay

The discussions we have held so far indicate that inadequate pay may be a significant deterrent to federal recruitment. The students and new employees we talked with were quick to say that money is not their primary motivator, but they believed that entry-level government salaries are far too low. For example,

when asked "What images come to mind when you think of federal employment," a senior economics major said she felt exploited. She went on to say,

> "I was just in [a government agency] and I was filling out the SF-171 form and I found I was rated as a GS-5. Fifteen thousand dollars is not going to feed me. I think that starting pay is ridiculous. I think when people find that out, right away it's the biggest turnoff."

When asked what they thought appropriate starting salaries would be, the groups responding generally agreed that appropriate salaries would be between $18,000 and $22,000 for students with bachelor's degrees, and between $28,000 and $30,000 for students with graduate degrees. These estimates are below most average entry-level offers reported by the College Placement Council for the 1988 scholastic year, but well above federal pay scales. For example, the national entry-level average salary for an applicant with a non-technical Master's in Business Administration was $33,035. New federal employees with master's degrees usually start work as a GS-9, at $23,846. The national entry-level average salary for accounting majors with a bachelor's degree was $25,232. Even with special salary rates at a GS-7, the federal starting salary is under $22,800. Some employees in professional entry-level positions start at GS-5, which pays $15,738.

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Insufficient pay is especially troublesome in high cost areas. Most of the students and new employees we spoke with lived in the Washington area, and many characterized the entry-level salaries in Washington as too low. As one said,

> "...[T]he problem is that Washington is an exceptionally expensive city in which to live. [W]e were talking about private industry and even some non-profits that are able to pay quite a bit higher entering salaries, and they offer some of the same benefits. [The point is] just survival. [W]e're not talking about being exceptionally well off and living in a really nice part of Georgetown..."

Overall, many students expressed a willingness to work for less than what their peers would make, if their jobs were really fulfilling. However, there was also a consensus in our discussions that the threshold for appropriate salary levels is a function of what it costs to live. The groups generally agreed that federal salaries did not meet that threshold, especially in high cost areas.

Other work we have done tends to confirm this view, and suggests that recruiting problems caused by insufficient salaries are not limited to the Washington area. Seven cities with at least 10,000 federal employees, including New York, Boston, and Los Angeles, have a higher cost of living than Washington, D.C.

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Recruiting problems due to insufficient pay are occurring in these, and other, cities as well. In fact, fifty-three percent of federal personnel officers that we recently surveyed across the country reported that inadequate starting pay and benefits was a barrier that hindered, to a great or very great extent, their ability to hire quality staff.

A December 1988 study by the Los Angeles Federal Executive Board (FEB) presents a more specific example of federal salary inadequacies in a high cost area. The FEB surveyed 10 state and local governments, including the State of California, the City of Los Angeles, and Orange County, to determine the mechanisms they use to establish salary levels for their employees. In every case, those surveyed said they did not consider the federal government in establishing salary levels because federal salaries are unrealistically low for the Los Angeles market.

Recruiting Case Study at IRS

In our ongoing review of IRS' college recruiting program, we found the same problems that were mentioned in our interview groups. Agency officials told us that several obstacles, chief among them being noncompetitive starting salaries, make it difficult to recruit the best college graduates. Other obstacles they cited were the government's hiring process, and IRS' and the government's negative images. We also visited placement officers

and deans at eight colleges and universities where IRS recruits. They agreed that starting salaries, and the hiring process, were important impediments to IRS recruiting.

One national survey of starting salaries paid to business and public accountants working for medium and large firms disclosed starting salaries in the private sector that were as much as 41 percent higher than the salary paid to accountants starting with IRS. We visited 17 firms in the fall of 1988, and found that they paid starting accountants between $20,500 and $27,500 annually--compared to IRS' starting salaries at the time of between $15,118 and $18,726.

IRS officials cited specific examples of how these large salary differences have had a negative effect on recruiting in some areas of the country. The Los Angeles district office advertised on a local radio station for special agents and received over 200 responses. Even though 71 of the respondents met the job's requirements, only 4 ultimately submitted applications. IRS district officials told us most of the other 67 did not apply when they learned of the low starting salary. On the East Coast, IRS' Newark District office chose to leave 50 revenue agent positions vacant rather than fill them with available applicants.

IRS has taken positive steps to alleviate some of the obstacles caused by low starting salaries and the federal hiring process,

such as obtaining nationwide direct hire authority for revenue agents in July 1987, and obtaining special salary rates (17 and 20 percent higher than the regular GS-5 and GS-7 salaries) for revenue agents in the Manhattan District in March 1988. In December 1988, IRS requested special salary rates for revenue agents in 90 additional high cost geographic areas. However, since agencies must fund their own special salary rates, IRS subsequently requested, and OPM agreed, that implementation of the special rates be deferred until 1990, because IRS lacked funds for the project in fiscal year 1989.

IRS also established a Campus Executive Program in 1986 which was meant to improve relations with at least one college or university in each IRS district by designating a district official to establish a continuing working relationship with the school. Although some of the 16 officials we interviewed at 8 colleges and universities had positive things to say about IRS' recruiting effort, many of them suggested ways IRS could improve its recruiting posture. Interestingly, many of their suggestions were consistent with the views expressed by the students and new hires in our discussion groups. Among their suggestions were that IRS provide part-time instructors at colleges, make regular recruiting visits, and stress the positive aspects of public service and a career in government.

Observations

We plan to meet with at least 12 more groups of college students in schools across the country. These discussions should tell us if the views and experiences of the groups we have spoken with so far are unique, or are typical of students in general. If the opinions we have obtained to date are typical, the government may have a difficult task ahead of it in attracting bright, young people to public service. This is critical, because any failure in getting able people to do the nation's work today may mean a long term failure in our ability to manage the more complex and demanding government of the future.

This concludes my formal statement. I would be pleased to answer any questions the Subcommittee may have.

ENCLOSURE ENCLOSURE

GAO RESPONSES TO FOLLOW-UP QUESTIONS
ON THE HEARING ON FEDERAL RECRUITING
PRACTICES AND POLICIES

Question 1.

Mrs. Kleeman, does the reception that my interns received surprise you? What specific things need to be done by agencies to ensure that this situation improves?

Response

Unfortunately, the reception your interns received when they sought federal employment may not be an atypical occurrence. Indeed, they are similar to the experiences of several participants in the group discussions we conducted, and with my own experience when I posed as a job applicant, and visited an OPM office in early June.

There are some specific measures I can suggest that agencies might take to improve this situation, if they are not already doing so. First, agencies must staff their personnel offices with knowledgeable, professional individuals. They must be trained to accurately answer applicants' information requests, ensure that proper forms and other application material is always available, deal with people in a courteous manner, and correctly refer applicants to others if they are unable to answer a question. Likewise, personnel at agency security desks, telephone information lines, or other public reception points, need to be able to give accurate information about where job seekers can find information, and whom they should talk with about employment questions.

Second, just as you did with the interns, personnel office supervisors could occasionally ask employees from other units to play the role of job applicants, requesting employment information to see what kind of service they receive.

Third, agency employment offices, and particularly OPM Job Information Centers, could consider remaining open at least one day each week beyond normal business hours. This would make it more convenient for working people and students to obtain employment information. Their business hours should be publicized as well.

Overall, agencies must recognize the importance of customer service. A prospective employee is likely to judge an entire agency by his or her experience with a personnel office. Agency heads should insist that this experience is a positive one. I

agree with the Director of the Office of Personnel Management who recently referred to the public servants who work directly with the public as being on the "front line," and advocated a system of rewards and sanctions to stress the importance of their roles.

Question 2.

You mention in your testimony that one of the biggest recruiting problems is the lack of a clear-cut answer to the question, "How do I get a Federal job?" Even though the Subcommittee has been looking at this problem pretty thoroughly, my staff still isn't sure they have the answer. What is your answer to that question?

Response

To find an answer to the question, "How do I get a Federal job," I turned, much as a prospective employee would, to a Career America brochure issued by one of OPM's regional offices. I found the answer, but it showed the process to be formidable.

A person seeking a government job must first determine whether it is a position filled through OPM, or filled directly by an agency. If it is position filled through OPM, the applicant must find out whether it requires a written test. If it does not, he or she must complete an SF-171 and mail it to OPM. In four to six weeks, the applicant should receive a Notice of Results indicating an eligibility status and, if eligible, a rating score. Eligible applicants' names are then to be placed on a register and certified to agencies. The chances for employment will then depend on the numerical rating, the frequency with which jobs are filled, geographic availability, and the degree to which the applicant meets any special factors, such as willingness to travel.

If the position requires a written test, the applicant must first complete and file an OPM Form 5000-AB with the appropriate OPM area office. He or she is then to be scheduled to take the written test. Four to five weeks after taking the test, he or she is to receive a Notice of Results, and if eligible, must wait to be considered by an agency.

If the position is filled directly by an agency, agency-specific rules apply.

There are undoubtedly ways the hiring process can be improved. GAO has a review underway now that is examining the hiring process and OPM initiatives to change it. While the process is cumbersome, it must be recognized that some of the "red tape" in the federal system is there for a purpose. Many of the controls and checks are to ensure that federal hiring decisions are based on merit--that all qualified candidates have an equal chance to

compete for job openings. Special requirements like veterans' preference also impose unique hiring considerations.

In my opinion, the most helpful change agencies could make is to do more outreach. For example, agencies could provide college placement offices with clear information on career opportunities. If prospective employees do not know where the job openings are or how to apply, I would have to lay much of the blame on the agencies for not telling them.

Question 3.

What should OPM be doing to give direction to the agencies? Is something more than Career America brochures necessary?

Response

Beginning in 1987, OPM formulated a number of initiatives designed to address some of the major recruitment impediments. These include a revitalized college relations program, new recruiting materials, and the use of computers to disseminate job information. OPM also has a number of ongoing projects designed to deregulate and simplify hiring procedures. For example, OPM is delegating some employment examinations, and revising some job qualifications standards.

Agency personnel directors we surveyed were supportive of these initiatives, and believed they should improve agencies' ability to attract and hire quality staff. Nevertheless, a consistent programmatic direction must be maintained. Past OPM staffing programs have not been effective, in part, because fundamental shifts in OPM policies have significantly and frequently altered these programs. Therefore, OPM's current initiatives need to be sustained to achieve lasting effectiveness.

The Career America brochure should only be considered one part of an entire recruitment program. For example, the college students and new employees we spoke with seemed to be more impressed by one-on-one contacts with agency employees. While brochures play a role in the recruitment process, they may not substitute for more effective techniques such as campus interviews and classroom presentations by enthusiastic, professional agency officials.

Question 4.

Do you think that GPA is a good indicator of job performance? Do private companies rely heavily on GPA as a measurement tool?

Response

Experts seem to disagree about the extent to which GPA can predict the future job performance of prospective employees who have limited work experience. However, there is some evidence that GPA, as a measure of academic achievement, is useful in combination with other factors when making employee selection decisions. Field of study, and extra-curricular activities are among the other examples often cited.

With regard to your question on the private sector's use of GPA as a measurement tool, this could not be readily determined because of the lack of reliable data. However, in my conversations with private sector personnel officials, virtually all told me that GPA is only one of a number of factors they consider in selecting employees.

Question 5.

Do you have any concerns that the Schedule B direct hire authority has allowed agencies to ignore the merit principles? What happens to Veterans Preference when an agency uses its direct hire authority?

Response

We currently have work ongoing which will address your question on the impact that direct hire authorities have on merit principles and veterans' preference. Our past work indicates that while OPM and agency oversight programs are essential to ensuring that direct hire and other personnel activities are carried out properly, these oversight programs may not be effective. For example, we have found that agencies have differing personnel management evaluation capabilities, and OPM leadership activities in this area have not greatly assisted agencies in improving their evaluation programs. Such difficulties with oversight activities raise the possibility that, if improper hiring takes place, it may not be detected and corrected.

Question 6.

What do you think about OPM's plan to implement a 900-number to provide more information to interested people?

Response

While Job Information 2000 is commendable because it may make it easier for the public to obtain federal employment information, a 900-telephone number which will charge users 40 cents per minute may act as a disincentive.

OPM predicts that the average phone call will last between 4 and 5 minutes. While $1.60 or $2.00 may seem like small amounts of money, charges can quickly accumulate if several calls are required. Moreover, it is unclear how people will react to the principle of being billed for this service. A job search can be an expensive undertaking, and some people may decide that learning about federal employment is one cost they choose not to incur. If such a fee dissuades people from calling, a toll-free phone number may be more effective.

Finally, with recorded messages, as compared to live conversations, callers cannot get answers to specific questions, and there is no assurance that the information provided is what the caller wanted.

TESTIMONY OF PATRICIA W. INGRAHAM
before the
U.S. SENATE COMMITTEE ON GOVERNMENTAL AFFAIRS
THE SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE, AND CIVIL SERVICE
HEARINGS ON RECRUITMENT AND RETENTION IN THE FEDERAL WORKFORCE
WASHINGTON, D.C.
JUNE 19, 1989

Good Morning. I am Patricia Ingraham, Associate Professor of Political Science at the State University of New York at Binghamton and Project Director of the Task Force on Recruitment and Retention for the National Commission on the Public Service. The Chairman of the Task Force is Rocco C. Siciliano; the complete membership of the Task Force is included as Attachment One of my written testimony.

Thank you for the opportunity to testify about this very important subject, which the Task Force has analyzed for the past two years. The complete text of the Task Force Report to the National Commission is included as Attachment One of my written testimony. My comments this morning draw heavily upon the findings and recommendations of the Task Force, but are also based on my experiences as a teacher and advisor to young people who would enter the federal service, as well as to mid-career students who are already career civil servants.

Background

Let me begin by saying that, generally speaking, problems associated with federal recruiting efforts are very serious. There are pockets of success, and you will hear about some of them this morning, but they are the happy exception. They are not the rule. Further, although there are variations in the intensity of the recruiting problem along several

dimensions, almost all potential applicants have difficulty finding out what jobs are available, where they are, and how to get them. Within the past year, the Office of Personnel Management has initiated a series of efforts to advertise federal employment. Many of these will make a difference, but they alone will not solve the problem. No single solution will solve the problem.

One reason for this is the remarkable diversity of the federal workforce; this diversity is directly related to the complexity of the recruiting dilemma. It is important to note for example, that although the number of public affairs education programs have more than doubled in the last twenty years, only a very small percentage of those who enter government service annually have received such training. In 1987, 2.7% of new entrants to permanent, full-time professional and administrative positions had degrees in public administration, political science, or government. In contrast, 24% had business or accounting degrees. The federal government also hired a large number of engineers, health professionals, computer scientists, and biological and physical scientists. Recruiting strategies, targets and options are different for each of these groups.

An additional reason why no single solution will suffice is that demographic projections for the next twenty to forty years very clearly point to a labor pool different from that to which we have become accustomed and to which we have directed many past recruiting efforts. The Committee on Economic Development provides the following summary:

* Workforce growth will slow from 2.9% in the 1970's to only 1% in the 1990's.

*Minorities, immigrants and women will constitute more than 80% of workforce entrants between now and the year 2000.

Women will constitute more than 60% of workforce entrants between now and the year 2000.

* More than 30% of the students in U.S. public schools are currently educationally disadvantaged. They will carry that disadvantage with them into the labor pool.

Recruiting problems will also be difficult to solve because they have many sources and many causes. Some are tied directly to pay and the dramatic differences between public and private sector pay scales. Others are due to lack of information, lack of interest, poor perceptions of the public service, or intolerance of cumbersome federal hiring practices.

Finally, no single solution will suffice because there is such a vast disparity in recruiting capabilities among federal agencies. Budget cuts and reductions in force in the past ten years have created a situation in which many agencies did very little--if any--hiring. In fact, the number of agencies with extensive hiring experience in the 1980's is really very small: Defense, the IRS, and the Social Security Administration head the list. The Office of Personnel Management said last month that 58% of the government's agencies have no recruiting budget, 49% spend nothing on recruiting advertising, 53% give their recruiters no training, 66% assign recruitment duties to personnel only as a collateral duty and 50% have no recruiting brochures. Quite clearly, this dismal capability does not begin to meet the problems these agencies face.

Dimensions of Recruitment Problems

What, precisely, is the nature of those problems? The Task Force on Recruitment and Retention identified five major levels of variation in recruiting difficulties. The problem varies by 1) region of the country, 2) by occupation, 3) by agency, 4) by level of new hires, and 5) by quality of new hires. Briefly, the specific problems for each of these areas are the following:

Region of the Country. This aspect of the recruiting problem is basically related to pay. Many agencies reported hiring difficulties in the Northeast, where cost of living expenses are high and federal salaries are not. The IRS reported that, even when it was able to interest potential employees in the federal government, 50% of those accepting jobs did not report for work because they found a better paying job between the time they accepted the IRS offer and the time the agency was actually able to get them on the payroll. Similarly, areas such as California's Silicon Valley pose difficulties for federal recruiters because of intense competition for limited resources and the inability of the federal government to compete with the private sector in such circumstances. The salary differential between a midlevel federal contract procurement specialist and her private sector counterpart, for example, is 46%.

Occupation. Some of the most significant recruiting problems for the federal government cluster around specific occupations and skills. Generally, these occupations require high levels of technical and/or scientific expertise. Computer specialists are in high demand but limited supply. Skilled health professionals, particularly with research interests and abilities, are also a recruiting problem. Because it hires so

extensively, the Internal Revenue Service reports difficulties in hiring accountants and revenue agents.

Agency. Not surprisingly, the agencies encountering the most intense recruiting problems are those with large clusters of hard to hire occupations. Scientific and Research agencies are the most obvious example. The Naval Research Laboratory, the National Institutes of Health, the National Science Foundation and NASA all report difficulties both in hiring and in retaining those they are able to hire. Agencies who do not hire extensively in these occupations, but who nonetheless have a need for a limited number of personnel, report that they are rarely successful in their recruiting efforts.

By Level of Hire. Despite the very real nature of the dimensions discussed above, the area which appears to have received the most attention is that related to the ability to recruit and hire recent college graduates. To be sure, the evidence of a problem here is dramatic. Even among graduates of schools of public administration and public affairs, the federal government is rarely the employer of choice. Many research efforts, including a survey conducted for the National Commission on the Public Service, report that students do not perceive government employment to be interesting or challenging. Less than 14% of those surveyed by the Commission felt that government employment would permit them to use their personal abilities to the fullest.

As you know, this perception of a boring and unchallenging federal workplace is made worse by the political rhetoric which has consistently devalued public service for the past twenty years. A long series of surveys have demonstrated that the rhetoric has taken its toll and that many long

term career civil servants now say that they could not recommend a public service career to anyone. This is particularly troubling when we consider that many of these careerists have, in the past, been the very people who communicated the excitement and challenge of a public service career to interns and to other young people.

Accompanying this negative perception of public service--particularly federal service--are serious questions about how to get a federal job if you want one. There are two components to this problem: the system, or lack of one, for advertising federal job opportunities in a timely and consistent way, the personal contacts the students have in the course of their job search, and the cumbersome hiring procedures that must be endured after an offer is made. In relation to the first, the lack of a coherent effort by OPM to provide central testing and guidance for several years after the abolition of PACE, in combination with staff reductions and job information center closings, placed virtually all responsibility, but no added support, at the agency level. Some efforts were made to fill this void in the last part of Constance Horner's term at OPM, but a huge information gap still exists.

In relation to the second, common sense and a great deal of research tells us that first contact with any organization strongly shapes the prospective employee's decision to pursue or abandon the opportunity. At present the federal government is far too cavalier about this simple tenet of effective recruiting. Placement officers and students tell story after story about the missed appointment, the rude treatment, the sexist remark, and the general lack of interest. Allow me to relate one story about the experience of my students this year.

At my urging, the University's Career Development Officer has made a special effort to bring federal recruiters to campus. The students in SUNY-Binghamton's program are very good--over half this year were honor students--and virtually all are interested in federal service. A recruiter from a major agency came to campus this spring. Nine students signed up for interviews. Because the recruiter was only going to be on campus for about six hours, he arranged for a joint briefing period for all interested students at 8:30 a.m. The students were there; the recruiter was not. He had not come to Binghamton the night before, despite the fact that he knew all of the students would be waiting at 8:30. When he did arrive about 10:00 he refused to reschedule appointments, but told everyone to wait and he would try to "rush through". That he did, failing in the process to convey a great deal of information about the agency and the jobs for which the students were theoreticially being interviewed. In each interview, however, he did convey his salary--about $35,000--and his view that he did not do very much to earn it. The students were insulted and angry. That does not even begin to describe the reaction of the Career Development Officer. This is precisely the kind of experience that should be avoided at all costs. As the OPM statistics cited earlier point out, however, over half of federal agencies have neither the staff, the budget, nor the training to guard against it.

Finally, the burdensome hiring procedures are a problem. The inability to put someone on the payroll quickly is a problem for both employer and employee. Very few students, graduate or undergraduate, can afford to wait for a long period of time before they begin to earn money. The inclination is to keep looking for a job that pays more and can do so more quickly. In

the tight job market in which many federal agencies must compete, this means one thing -- the federal government will lose the potential employee.

Quality. The final dimension along which recruiting problems vary is that of quality of applicant and new employee. Some agencies -- those with excellent recruiting programs, such as the General Accounting Office, those with good intern programs, such as the Air Force, or those who rely heavily on the Outstanding Scholar Program for hiring, such as the General Services Administration--do not feel the quality problem so keenly as other agencies. For most federal agencies, however, the quality issue is real.

It has been argued by some observers that the current perception of decline is based on a rather romantic misreading of the "good old days". The Commission was told at one of its hearings, for example, that "all we're saying when we say quality has declined is that these new recruits aren't as good as we thought we were when we entered government service." It has been further argued that evidence supporting claims of declining quality is "flimsy". It seems to me, however, that such attitudes and comments are a little akin to waiting to be run over by a train simply to validate an assertion that one is coming. The evidence we have at the present time is generally anecdotal, but it is widespread and every agency that has made an effort to systematically examine the issue has found that a problem exists.

The American federal service has never been elitist; it has been proudly broadbased and competent. It is this competence that is at issue here. The ability to deliver critical services efficiently and effectively is the heart of public service. The ability to ensure high quality and to recruit bright and able applicants should be a hallmark of federal agencies. For many, it simply is not. If the federal government cannot recruit able

and competent employees, neither can it guarantee effective service delivery in the long term. That is the issue posed by a decline in quality and it should be addressed now.

RECOMMENDATIONS

Given the complexity and many components of the recruiting problem, what are possible solutions? The Task Force's major recommendations included the following:

1) The value and challenge of a public service career must be communicated widely and as often as possible. President Bush's positive statements about the public service are an important step in the right direction. So, too, is the Office of Personnel Management's "Career America" campaign. They are but first steps, however, on a long road.

2) A prestigious and competitive Public Service Scholarship Program should be created, on the model of the military's ROTC Program. This serves two purposes: it restores a sense of prestige and honor to a public service career choice and it provides badly needed financial assistance to students who would make that choice.

3) Decentralize recruiting, testing and hiring responsibility and authority. This is not to suggest that there is no role for OPM. That agency must take the lead in advertising the value of the public service, in research, in providing technical assistance to those agencies that have fallen behind in recruiting capabilities, and in supporting innovation and increased productivity in the federal system. Recruiting needs and demands, however, are too specialized and too complex to be effectively handled in a centralized way. The agencies and their managers know those specialized needs; they must develop the specialized strategies and solutions to meet them.

We have been asked how merit is guaranteed in such a decentralized system. We can only reply that decades of efforts to guarantee merit through ever increasing central rules and regulations are one part of our present quandary. Further, the limited evidence that we have from previous decentralized hiring activities, such as Schedule B, does not demonstrate any effort to circumvent merit guidelines or considerations. Rather, the evidence suggests increased attention to hiring the best possible candidate, as well as to increased emphasis on affirmative action.

In addition, decentralization increases both the responsibility and the accountability of career managers. At present, they are burdened by excessive rules, regulations and procedures. Though they must make the ultimate hiring decision, their decision making process and their consideration of alternatives is severely constrained. My own research, and that of others, indicates that this is a source of serious dissatisfaction for career civil servants; most would welcome the opportunities to exercise more authority and to be held accountable for the outcomes of the increased flexibility. Of course there will be some problems. James Madison told us long ago that men were not angels; that has not changed. It is worth pointing out, however, that the problems of management that we are currently reading about in HUD and other agencies are not problems created by the career civil service. The problem at HUD is due in large part to the excessive politicization of the management of that agency and the isolation of most career managers from decision making processes.

Decentralization, accompanied by appropriate delegation of authority and clearly stated government wide objectives, will provide an important part of a federal strategy for meeting the challenges of effective

recruiting. As noted earlier, however, support and assistance for those agencies lacking initial recruiting capability must also be a part of the decentralization effort.

4) Provide a flexible "bag of tools" for federal recruiters. Without any question, the recruiting scene of the future will be intensely competitive. Private sector recruiters are already devising more creative hiring incentives. These include recruiting bonuses, housing and relocation assistance, educational bonuses and opportunities, stock options, day care and more flexible health care benefits. To compete, the federal government must have the ability to be more flexible in the packages it assembles for potential employees. This will not be necessary in every case, but in hard to hire scientific and technical occupations, for example, it could well be key to the government's ability to compete effectively.

5) Expand the use of student internships and cooperative programs. Existing programs offer high quality candidates for future government service. In addition, research has demonstrated that, in many cases, students who enter government service through an internship or a cooperative arrangement are more likely to remain in government service. These programs provide a two-way examination, of candidate and of agency, before the employment decision is made. This provides a more solid and enduring basis for the employment decision.

It is equally important, however, that the intern and cooperative programs be carefully structured and monitored, so that the experience is beneficial to both parties. This places a significant responsibility on the agencies. Training for those who supervise and place interns and evaluation

of the intern and co-op experience must be emphasized and expanded if a larger program is to be successful.

6) Expand recruiting horizons. Federal agencies must also look beyond the recent college graduate pool for potential employees. One obvious labor pool is composed of recent and early retirees who may be interested in part-time or full-time employment in another area or environment. One federal agency is currently using a "Start Your Career With Us" theme in recruiting recent graduates. The theme could as easily be "Have a Second Career With Us".

As the nation ages and as the demographics of the labor pool change, the federal government must try to be ahead of the curve. If greater numbers of future employees will be women with families, it is necessary to make provisions now for benefits and options--such as day care, flextime, and decreased demands for mobility--which will make federal employment more attractive.

These are the major recommendations of the Task Force; the full set is included in Attachment One. Thank you again for the opportunity to speak to you this morning. I will be happy to answer any questions that you have.

ATTACHMENT ONE

COMMITTING TO EXCELLENCE

Recruiting and Retaining a Quality Public Service

The Report of the

Task Force on Recruitment and Retention

to the

National Commission on the Public Service

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WASHINGTON 1989

THE TASK FORCE ON RECRUITMENT AND RETENTION

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PREFACE

The Task Force on Recruitment and Retention was charged with determining the dimensions of recruitment and retention problems for the federal government. The Task Force examined proposed solutions to those problems, and in this report recommends specific actions to the President, the Congress, the Director of the Office of Personnel Management, and relevant federal agencies.

To accomplish its objectives, the Task Force undertook study activities from December 1987 to October 1988. These included:

- The entire Task Force and smaller groups of some of its membership met to determine the most important problems to be considered.

- Staff collected and analyzed academic literature and research related to the issues of recruitment and retention. Governmental reports and documents covering the same issues were also analyzed.

- The Chairman and/or the Project Director attended regional hearings of the Commission in Ann Arbor, Austin, Los Angeles, and Portland, Oregon.

- Task Force members and staff held two formal meetings with personnel and human resource directors from major federal agencies in Washington, D.C.

- Task Force members and staff conducted a large number of interviews and information gathering meetings with representatives of the Office of Personnel Management (OPM) and the U.S. General Accounting Office.

- The Task Force submitted formal requests for analyses of agency-specific recruiting and retention problems to agencies—such as the Internal Revenue Service, the National Science Foundation, the U.S. Air Force, and others—that had collected relevant data for internal management purposes and were willing to share it.

- The Task Force held formal meetings for review and comments on early drafts of

the report in Washington and in Princeton, New Jersey. In both cases, the Task Force received comments from academic experts as well as career managers and personnel directors.

• Finally, the National Commission authorized two research studies on behalf of the Task Force on Recruitment and Retention. The first supported doctoral research being conducted by Ronald Sanders, "The Best and Brightest: Can the Public Service Compete?", which surveyed members of four national honor societies to determine if, and under what circumstances, recent honor graduates would consider the public service as a career. The second study, prepared by Robert Goldenkoff, a Presidential Management Intern (PMI), surveyed recent PMIs to determine their satisfaction with federal employment and their attitudes toward their experience with the prestigious Presidential Management Intern Program.

In all of these activities, the Task Force benefitted from extensive volunteer assistance. Indeed, the outpouring of interest in and support for the activities of this Task Force sometimes strained our abilities to use all offers fully. That large group includes the personnel directors and other federal managers who served on our advisory groups, the many federal managers who offered informal advice and information, and the many career civil servants across the country who wrote the Task Force about their personal experiences in the public service. Constance Horner, the Director of OPM, and her staff provided important assistance throughout our study and kept us abreast of rapidly changing OPM activities related to recruitment and retention.

Two other persons provided invaluable support and analysis: Rosslyn Kleeman, from the General Accounting Office, and Ronald Sanders, from the U.S. Air Force, were critical to our ability to understand both problem and potential solution at many points in our study. We thank them for sharing their remarkable abilities with us.

We worked closely with the other Task Forces at many points in our analysis. In particular, we appreciate the assistance of James Pfiffner, project director for the Task Force on Political Appointments, and Peter Zimmerman, project director for the Task Force on Education and Training. Under the direction of L. Bruce Laingen, Executive Director, the permanent staff of the Commission, Diane D. Yendrey, Administrative Assistant, and Marjorie Jones, Graduate Assistant, provided superb support throughout the process.

Finally, we are grateful to the late Charles H. Levine for the advice and direction he provided to this Task Force in the months before his death. Working with Charlie was a grand experience and one that we will not forget.

Rocco C. Siciliano, Chairman
Patricia W. Ingraham, Project Director

Washington, D.C.
April 1989

EXECUTIVE SUMMARY

The federal government today confronts serious problems in recruiting and retaining a quality workforce. The problem is multidimensional and not amenable to easy solution. The increasing need for a highly skilled and technically expert public service requires, however, that solutions be sought. Demographic projections for the next 20 years demonstrate that the problems will only become more severe. Four major components make up the problem. First, inadequate compensation works strongly against the ability of government to recruit in urban areas, in areas with high concentrations of high-tech industry, and in occupations with limited applicant pools. This problem is most severe for engineering, scientific, and research personnel. Federal recruiters do not have the flexible "bag of tools" available to private recruiters in an increasingly competitive environment.

Second, government is not considered an attractive employer by many recent college graduates, including some who are already government employees. Most of these students do not consider government work to be challenging or creative. Furthermore, they perceive their best opportunity for recognition and career satisfaction to be in the private sector.

Third, there is a widespread sense that the overall quality of federal entry level employees is declining. No government-wide data exist, but most agencies and many managers report this perception. The limited efforts at documentation that do exist consistently report declining quality.

Finally, a large number of senior career managers have resigned or retired from government in the past 10 years. There is strong dissatisfaction with the performance evaluation system instituted 10 years ago by civil service reform; managers also report dissatisfaction with opportunities for executive and career development. In some agencies, morale is alarmingly low.

RECOMMENDATIONS

To remedy the problems outlined above, the Task Force recommends the following actions (the complete recommendations appear at the end of the Task Force report):

RECOMMENDATION 1

Make an exemplary public service a national priority.

The President, the Congress, and the Office of Personnel Management must make leadership and support of the public service a top and early priority. Too often in the past, bureaucrat bashing has been the norm. The emphasis should be on respect, trust, and high standards for performance and accountability.

RECOMMENDATION 2

Align accountability and responsibility in the federal personnel system.

Decentralize activity and delegate authority throughout government and executive agencies. Centralization has led to control through ever-increasing numbers of rules and regulations. Modern government is too complex and the problems it faces too severe to continue this trend. Managers must be allowed greater flexibility and accountability. Managerial authority and competence must be emphasized and supported. However, continued decentralization must occur only within the framework of a government-wide statement of goals and priorities for human resource management activities.

Create a series of management demonstration projects whose purpose is to foster and monitor experiments in alternative approaches to maximizing managerial flexibility. Permit innovations in budgeting, staffing, and task definition. Evaluate carefully to determine replicability to broader government settings.

RECOMMENDATION 3

Meet the challenge of recruiting college graduates head-on and aggressively.

Simplify, expand, and clarify federal hiring activities. Advertise positions widely and from a central point. Provide federal recruiters the same flexible bag of tools that private recruiters enjoy. Allow travel and housing assistance, recruitment bonuses for hard-to-hire occupations, guaranteed training and education opportunities, and other positive incentives for choosing a federal career.

Be aggressive in meeting the challenge of recruiting recent college graduates and graduate students. Establish a federal loan forgiveness program. Create a system of grants to colleges and universities willing to commit to recruiting an excellent and diverse group of students for public service education. Create a limited and prestigious Public Service Scholarship program. This program must contain offset provisions that prohibit colleges and universities from reducing other aid by the amount of the scholarship.

Broaden and simplify student employment programs. Employ programs such as Cooperative Education more extensively and more flexibly. Expand the Presidential Management Intern Program; create agency-specific intern programs and the funds to support them. Greater care must be taken to place and direct interns so that maximum long-term benefits accrue to both the intern and the agency. Consider potential career paths for the interns early on, and provide counseling about opportunities and mentoring to obtain them.

RECOMMENDATION 4

Create and support a federal executive development strategy and support and reward executive excellence.

Create a federal executive development strategy that emphasizes leadership training and ability. Emphasize career development and long-term opportunities in federal management. Reward excellent managers, and give them the flexibility they need to manage both employees and other resources.

Create a Government Executive track in the Senior Executive Service (SES). Permit membership only on the basis of outstanding executive experience and leadership. Base awards and incentives for this group on human resource management contributions and innovations.

Model executive development opportunities and training on the military development strategy, which specifies clear stages of growth and development. Inform career managers of available opportunities and resources.

Restructure federal training opportunities so that the options available to agencies and managers are guided by a clear training strategy. Funds expended by OPM for training must support and strengthen that strategy.

Rectify problems with the SES bonus and mid-level manager merit pay systems. Performance evaluation still does not work in many agencies. It is time to make it work and to provide adequate financial bonuses for managers, or to find a new system. At least half of the members of the SES and of the mid-level managerial merit pay group are currently eligible for bonuses. This is too many for the system to function effectively as an incentive.

Symbolic awards as well as financial incentives must be strengthened. Many such opportunities currently exist, but they are not well publicized or are not used to maximum advantage.

The federal benefit system, most notably the health insurance component, must be rectified if it is to be an incentive for federal employment. As lateral entry becomes a more common feature of federal employment (as it must as entry-level recruitment pools shrink), attractive benefits will become a critical part of effective recruiting.

Create retention awards and bonuses that can be used on a selective basis to retain career executives who are critical to the effectiveness of important federal programs and agencies.

COMMITTING TO EXCELLENCE: RECRUITING AND RETAINING A QUALITY PUBLIC SERVICE

There was a time when the call to public service promised honor, respect, and the chance to make a difference. There was a time when the merit system promised that the truly meritorious would be recognized and challenged to give their best to government. There was a time when public service was not synonymous with burdensome and confining procedures and regulations. There was a time when those who chose the public service did not also have to choose limited financial and career opportunities.

For many in the federal service, that time has passed. It has passed in an age that can ill afford its demise. Never have demands on the public service been so complex, so intense, and so difficult of solution. Technological and scientific advances mandate that government and its employees be at the forefront of scientific abilities and understanding. Human resource management confronts the limits of existing skill and theory. Demographic and economic projections for the year 2000 promise that the demands will be even greater in the future. For many, there is a quiet crisis in American government and in the federal public service.

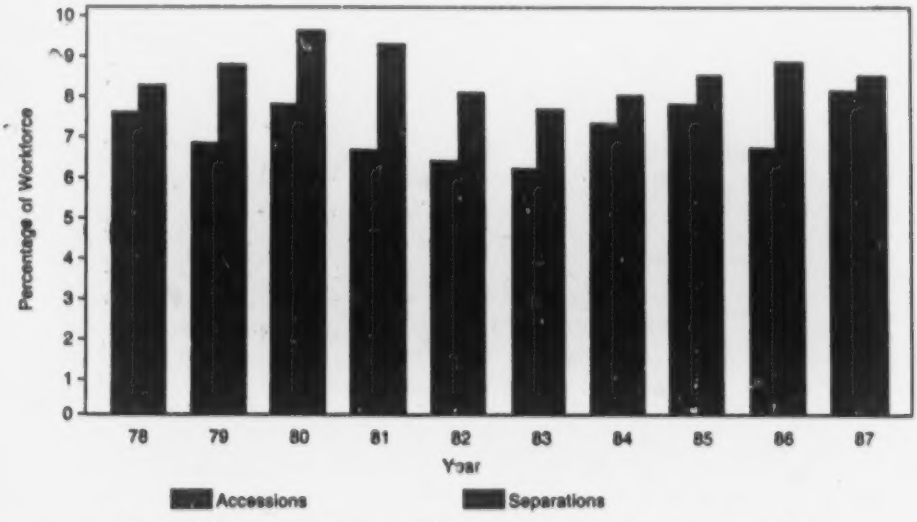
The twin issues of recruiting high-quality employees into the career service and retaining excellent employees who have already entered are at the heart of the quiet crisis. If government is unable either to attract new public servants or to retain critical members of its workforce, the future is bleak. The need to value merit, competence, and accountability, not rules and regulations, is important; the need to restore the challenge and vitality of a public career, and to give government the tools to compete for excellent employees, is profound. At the same time, the need to make a commitment to excellent management, to management that relies on individual accountability and individual responsibility, is a serious challenge. Institutions and managers that value individual employees and their development must be cultivated. For too long these problems have been distorted by simplistic analyses of governmental issues and problems. In these times, it does not make sense to label government the problem or to denigrate its function and its employees. Rather, we must turn to it to solve some of the most vexing problems in U.S. history.

The complexity of the recruitment and retention problem mirrors the diversity of the federal government. That government is not the faceless mass of bureaucrats so often portrayed in the media. Federal employees include engineers, astronauts, marine biologists, research scientists, nurses and Navajo speaking recreation planners. What they do and how they do it are vitally important to every citizen. That they do it well should be an issue constantly before the public. The debate must be about merit, not as it is known now, but as it could be—a term meaning high quality, accountability, pride, and acceptance of challenge.

RECRUITING EXCELLENT PUBLIC SERVANTS: THE DIMENSIONS OF THE PROBLEM

There are 3 million employees in the federal civilian workforce. That is approximately 5 percent of total civilian employment in the United States. Members of this group represent more than 900 different occupations. They are employed by more than 100 different agencies. Their wages and salaries are determined by more than 30 different pay systems.[1] Many enter the federal government each year, and many also choose to leave (Figure 1). The accession and separation rates shown in the figure are not wholly comparable. Government statistics report only outsiders' entries to the career service, but all exits. Conversions from temporary to career status, for example, are not counted in accessions so that total is artificially reduced. Nonetheless, it is clear that significant changes occur in the federal workforce each year. The recruiting task is major and continuing. The retention problem is constant.

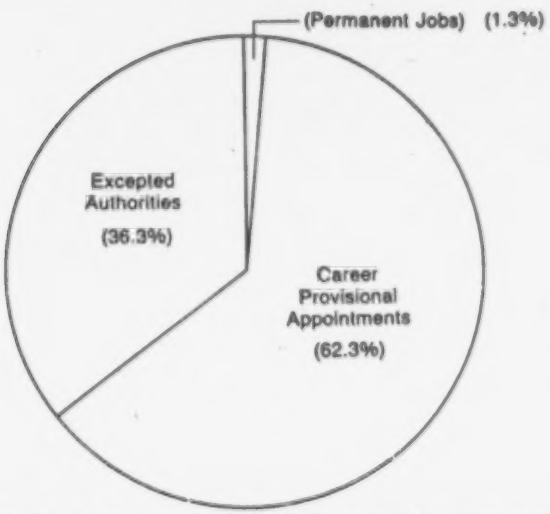
Figure 1
New Entrance and Total Exit Rates for Nonpostal Federal Employment
1978–1987



Source: U.S. Office of Personnel Management, Central Personnel Data File.

The numbers in the "excepted authority" category in Figure 2 include approximately 37,000 students who entered through programs such as the Cooperative Education Program, the Stay in School Program, and the Presidential Management Intern Program. Lawyers and most doctors also enter through special excepted authorities. Additional diversity and complexity is demonstrated in a brief analysis of the occupational composition of the federal service. The nonpostal civilian workforce includes professional, administrative, technical, and clerical employees (called PATCO employees) and blue-collar workers. (Postal em-

Figure 2
Method of Entry to Career Federal Service in 1987



Source: U.S. Office of Personnel Management, Central Personnel Data File.

ployees are in a separate category; they enter the federal service through a separate system.) Even if only professional employees are described, additional diversity is obvious. Of 359,000 in 1987, more than 100,000 were engineers. Another 75,000 were biological scientists, physicists, or mathematicians. Accountants and other financial management specialists constituted another 40,000.[8]

In the past, the recruiting task has been made more complex by the need to ensure diversity in the workforce. Affirmative action and equal opportunity programs have been one means of meeting these objectives. The 1987 Ford Foundation report, "Increasing the Representation of Blacks and Latinos in the Profession of Public Policy," identified another part of the problem:

> **Access [of minority students] to postsecondary and graduate studies has been impeded by the combined economic recession and the federal reduction in support for education.... Today, the limited supply of financial aid at colleges and universities is exhausted quickly.**

Both federal personnel policies and federal education policies must continue to address the issue of diversity. By the year 2000, however, this problem will have an additional dimension. Projections by the Council on Economic Development and others indicate that in 2000, 85 percent of the recruitment pool will be composed of women, minorities, and recent immigrants. For the managers of the future, the task will be not only ensuring diversity by recruiting; it will be to guarantee to a newly diverse workforce adequate manage-

ment training and development opportunities. The realities of the recruiting pool must be reflected in organizational authority and power.

To describe recruiting and hiring in the federal government is, therefore, an exercise in simplifying enormous complexity. Prior to 1982, that description most often began with the centralized entrance examinations administered by the Civil Service Commission or, after 1978, by the Office of Personnel Management (OPM). The example provided by one of these exams—the Professional and Administrative Career Examination (PACE)—illustrates the recent federal recruiting experience.

The consistent failure of the PACE, the primary entry-level recruiting process for federal managers, to place a proportionate number of minority applicants on civil service lists led to legal challenges in the 1970s. In 1979, in a case now known as *Luevano v. Devine*, a group of five civil rights groups charged adverse impact, noting that although 42 percent of the white candidates taking the exam passed with a score of 70 percent or higher, only 5 percent of the black candidates and 13 percent of the Hispanic candidates did so. Despite the fact that PACE scores counted in appointments to only 35 percent of entry-level professional or administrative positions in 1978, its centralized nature and concomitant familiarity made it an important recruiting device. In 1982, OPM abolished the PACE examination. No centralized general entrance examination has existed since then.

In 1985, as a partial remedy, the OPM introduced six occupation-specific examinations. These exams covered the occupations in which hiring was most extensive; together, they included about 52 percent of federal hires. In addition to these specialized exams, which are administered and graded by OPM, candidates can enter the federal service through agency-level hiring. The OPM used Schedule B, an excepted authority created in 1910, to delegate noncompetitive hiring authority to the individual agencies. The agencies hiring most extensively—the Department of Defense (DOD), the U.S. Customs Service, the Internal Revenue Service (IRS), the Social Security Administration (SSA)—used this authority most. These agencies had also relied most heavily on the centralized examinations.

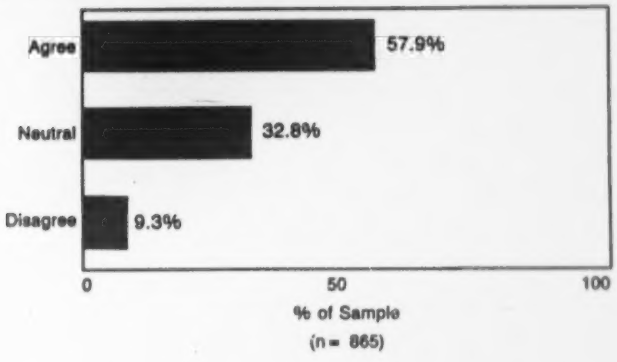
The complexity of the recruiting task is further clarified by an examination of how people enter federal government service. Although the federal personnel system is consistently described as a "merit system," considerably more than one-third of the employees who entered in 1987 did so through excepted, or noncompetitive, means (Figure 2).

A much larger number of agencies either did not hire during the early 1980s or were given limited hiring authority by OPM as the need arose. For these agencies, hiring in the future will be especially difficult. Lack of experience—especially in competing for employees—and lack of resources for recruiting and hiring will seriously hinder their efforts. Even for agencies that have been hiring, decentralization—the loss of a central information source—and the virtual absence of monitoring have created problems. Agency recruiters often have trouble finding potential employees; placement officers and students do not know where to look for federal jobs. A high percentage of student honor society members—the best and the brightest—do not know how to get a job with the federal government (Figure 3). Further, when potential hires are found, the time-consuming federal hiring process often loses them.

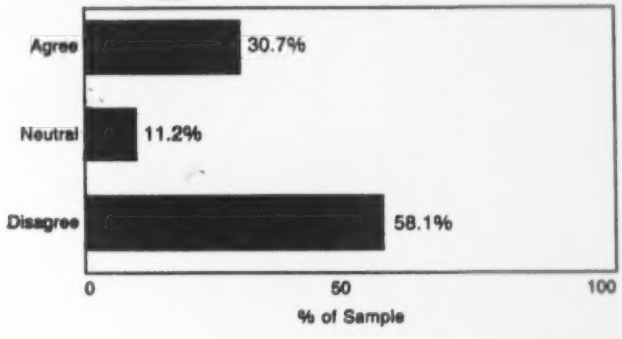
Constance Horner, Director of the Office of Personnel Management in the Reagan Administration, provided an apt summary of one part of the problem: "The current system is slow; it is legally trammelled and intellectually confused; it is impossible to explain to potential candidates. It is almost certainly not fulfilling the spirit of our mandate to hire the most meritorious candidates."[3] But not all of the problems are with the system. For the past 20

Figure 3
According to the Class of 1988's Top Graduates...

Appointment to the Federal Service is a complex, time-consuming process



If I wanted a job with the Federal Government, I would know how how to go about getting one



(From Sanders, Ronald P., "The Best and Brightest—Can the Public Service Compete?" 1988)

years, both the institution of the public service and those who serve have been the targets of nearly constant attack by elected officials. There is absolutely no doubt that the negative image of the public service thus created is a serious detriment to efforts to recruit. Overcoming this image will be a test of national and political will.

To understand the complexity of federal recruiting, consider the specific variables involved. Recruiting problems vary by region of the country, by agency and occupation, by level of hire, by quality of hire and by changing demographic conditions. It is useful to consider each of these in turn.

Recruiting Problems by Region

Regional variations in recruiting are closely related to the federal compensation sys-

tem and the inability to compete with private-sector salaries. The primary problem areas are the Northeast—particularly the New York and Boston metropolitan areas—and California. The demand for skilled labor in those areas makes competition fierce, and low federal salaries severely diminish the government's ability to compete effectively. The private sector recruiter's "bag of tools" in such areas is impressive and diverse: up-front recruiting bonuses, payment of interview and other travel costs, moving expenses, housing assistance for both the house left behind and the house in the new location—such inducements allow private firms to tailor an offer to the needs of the employee being recruited. In addition, the "quality gap" between the fringe benefits offered by the private sector and those offered by the federal government has widened dramatically. Health insurance is the most prominent example.

The Silicon Valley in California illustrates these points. Living costs are high. Although many highly skilled people work there, the intense concentration of high-tech industry creates high demand. Further, private firms generally pay their employees well. The federal installations in the valley compete directly with the high-tech private sector. One federal agency in this area, National Aeronautics and Space Administration's (NASA's) Ames Research Center, reports problems in recruiting procurement specialists. A glance at salary differential alone demonstrates why: the federal entry-level (GS-5) salary is $16,357, barely enough to live on in the area. The average entry-level salary (for comparable non-federal jobs) is $21,779, a differential of 33.2 percent. For a midlevel position, a federal GS-11 contract-procurement specialist earns $29,341. The private-sector counterpart now earns $42,772, a 45.8 percent differential.[4]

The regional problem is equally serious for other agencies. The IRS, for example, reports constant problems in Northeast metropolitan areas. The IRS reported to the Task Force that:

> **Even when it is able to interest potential employees in the federal government, IRS reports that up to 50 percent of those who accept jobs do not report for work because they obtain a better paying job between the time they accept the IRS offer and the time the agency is able to put them on the payroll.**

In many other areas of the country—less urban, less competitive—agencies report that they can hire when they have jobs available and the authority to hire. This element is one part of a complex recruitment mosaic: intense problems exist in some areas of the country, and few problems occur in others.

Recruiting Problems by Agency and by Occupation

Recruiting problems vary by agency because of different levels of hiring activity and because many of the occupations for which it is most difficult to hire cluster within specific agencies or sets of agencies. The DOD, IRS, Customs, and the SSA have encountered problems because they have attempted to hire relatively large numbers of people. Among the agencies hardest hit by occupational recruiting difficulties are those that need large numbers of scientific and research personnel. The Naval Research Laboratory (NRL), which has carefully analyzed recruitment problems for 1981 through 1987, reports: "We have difficulty in recruiting quality candidates in the following areas, finding only a limited number of candidates and none of acceptable quality: physicist (image processing), oceanographer (remote sensing oceanography), electronics engineer, and computer specialist."

> **The Naval Research Laboratory also notes that, during calendar years 1984 and 1985, the NRL was unable to fill 94 positions for scientists and engineers. Its report concludes: "This inability to hire an adequate number of qualified scientists and engineers...will ultimately result in either putting the Laboratory out of business or in forcing the Laboratory to hire personnel who do not meet the Laboratory's qualification standards."[3]**

Similar problems have been reported by all agencies attempting to recruit scientific personnel.

Other occupations have also been difficult for recruiters. The IRS reports serious problems in recruiting accountants; virtually all agencies report difficulties in hiring qualified computer specialists, and NASA notes serious difficulties in hiring skilled technicians. The OPM has permitted agencies to hire directly for some occupations, but has not done so in others that also have limited hiring pools. Although government-wide data on recruiting difficulty are not available, one proxy for the strength of the link between occupation-specific difficulties and agency problems is the number of efforts to bypass the system. In this regard, the federal white-collar "special rate" program tells a dramatic story. In this program, increases above the General Schedule are authorized for positions for which it is especially difficult to recruit and retain staff.

> **The number of special rate positions rose from about 8,000 in fiscal year 1977, to almost 34,000 in March, 1984, to 37,000 in 1986.[4]**

In addition, many agencies are requesting different personnel systems. The DOD, NASA, the National Institute of Standards and Technology, the Veterans Administration, and the National Institutes of Health have requested—or already received—more flexible systems.

Recruiting Problems and the Level of New Hires

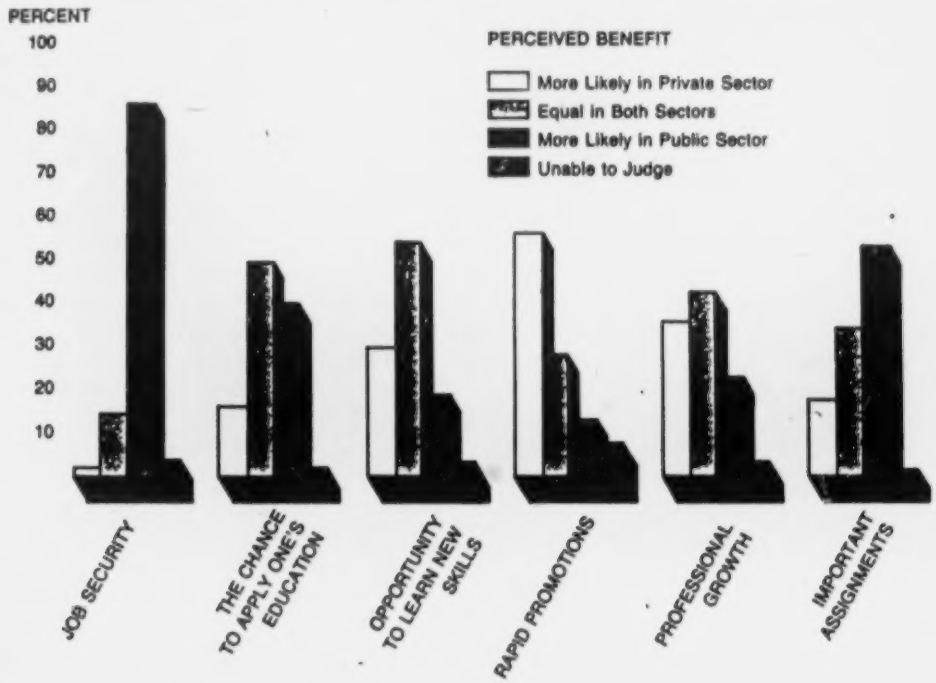
Although recruitment problems exist for both entry-level and higher level hires, some differences are worth noting. A Merit Systems Protection Board study concluded that the federal government's ability to hire recent college graduates was limited by three factors: a perception that federal jobs pay less than do comparable jobs in the private sector; a lack of general information on federal career opportunities combined with limited on-campus recruitment efforts; and the negative public image of the federal bureaucracy.[5] That assessment masks some stark numbers: Harvard University President Derek Bok noted in his 1988 Commencement Address that less than 5 percent of the general public is interested in government service as a career. Leading universities such the Massachusetts Institute of Technology, Stanford University, and Rensselaer Polytechnic Institute, which could supply the hard-to-fill engineering positions in government, all report that only 2 to 3 percent of their graduates accept a position in the federal civil service. Even more troubling, some of these universities and colleges report that federal recruiters have given up and no longer visit the campus.

The pervasive negative image of a public service career has had a devastating effect: a national survey of honor society graduates in the liberal arts, business administration, and the sciences and engineering reported that those students consistently ranked federal government as a third or fourth choice (out of six). More importantly, an overwhelming majority of these students believed that most federal jobs were routine and monotonous, that such

jobs would not allow them to use their abilities fully and that the civil service offered little opportunity to show initiative or creativity.[8] This image of the public service persists even for many students who chose a public career. A recent survey of students in the Presidential Management Intern Program found that these students, although frequently given the best entry experience government can offer, still believe that in most respects, the private sector is superior (Figure 4).[9]

Figure 4

In What Sector, Public or Private, Are You More Likely to Find the Following Benefits?



Quite clearly, however, pay and the negative image of the public service have an effect on higher level recruiting as well as entry-level hires—in fact, the effects are exacerbated for mid-and upper level hires. Pay comparability with the private sector decreases as the federal employee's experience and responsibility increases; many private-sector, mid-level staff would have to take a pay cut if they were to accept a federal position. In addition, because job satisfaction and contribution are important to older, more seasoned workers, the endless rounds of bureaucrat bashing and the generally negative work environment they create exact a high toll in recruitment potential. The steady politicization of upper management levels has also affected the recruitment and retention of senior managers. As political appointments increase, senior careerists must report to more levels of less experienced political executives. The placement of appointees in positions that were reserved for career

staff aborts the career ladder of senior civil servants and severely limits their opportunities for advancement. In combination, these attributes of the contemporary public service create an extremely uninviting work environment.

An additional problem is the extremely limited nature of lateral entry to mid-level and senior management positions. New ideas and approaches are important to the vitality of federal management. Further, the high exit rate for members of the Senior Executive Service (SES) and other senior managers has created a shallow career cadre in some agencies. Early retirees from the private sector and other private-sector managers could help to fill this gap. The Intergovernmental Personnel Act of 1970 provides one formal means of assistance, but it has been used infrequently in recent years. Furthermore, only a few executive development programs emphasize external hires; many agencies prefer to promote from within. Nonetheless, high retirement rates and changing demographics in the next 10 years mandate new attention to lateral entry.

Recruiting Problems and the Quality of New Hires

This area must be approached cautiously not only because data are limited, but also because reckless analysis can cast an inappropriately negative light on current members of the civil service. Except in its earliest days, the U.S. civil service has been nonelitist. In contrast to the British, French, or West German career services, which have high social status and limited access, the American system has been high quality, but also broad-based and egalitarian. (The U.S. Foreign Service, which until recently fostered an elite image, is an exception to this generalization.) This success has been a long-term source of justifiable pride. In recent years, however, some analysts of the federal personnel system and some federal managers have commented on a perceived decline in the quality of new employees. The General Accounting Office (GAO) provides the following "snapshots":

- The Internal Revenue Service studied the quality of their incoming revenue agents, compared with new staff of accounting firms, by giving a national test of accounting knowledge and found that 84 percent of the comparison group outside government scored higher than the mean of the federal group in each of two years of testing.

- The Merit Systems Protection Board found that 35 to 36 percent of the managers they surveyed believed that, in the years 1982 to 1986, the quality of applicants for professional and administrative jobs at entry, middle, and senior levels had declined.

- The GAO reviewed Environmental Protection Agency Superfund staff and found that 39 percent of the employees had a problem ensuring the quality of their work because of a lack of skilled personnel.[10]

Preliminary government-wide data gathered by the Office of Personnel Management (OPM) demonstrate that the above snapshots are not exceptions, but describe a wider federal experience. In addition, many agencies report that, in the absence of the ability to make external hires, they are promoting staff who have previously been passed over for promotion. Still others report that they are able to make quality hires only by raiding other federal agencies.

> A representative of the National Weather Service said: "We deal with recruiting by stealing from other agencies."

Such a practice, of course, generates cycles of new problems as a few excellent employees become constant targets of raiding, while the overall service is not rejuvenated by its new employees.

Quality is an illusive term. Measuring it will always be difficult. The GAO has noted that three kinds of information are needed before assessment of employees' quality can begin: data on essential knowledge, skills, and ability; data on individual attitudes, values, and motivation; and information on the ability to consider the match of individual capacities and job needs. None of this information currently exists in a retrievable form. In addition, in the diverse federal government, it will always be necessary to consider quality agency-by-agency and occupation-by-occupation, in many cases using measures that are agency- or occupation-specific. Despite the absence of conclusive evidence, however, there is a deepening sense that the problem is significant and must be addressed.

The quality problem is, in part, the outcome of past recruiting and hiring constraints. The OPM has observed that such constraints often led to hiring the "best of the desperate," rather than the best and the brightest. This is undoubtedly attributable in some part to the vagaries of the budget cycle, which makes the future availability of funds uncertain or demands that, when funds are available, they be quickly expended. The decline in quality also reflects the widespread sense that a federal career is not an attractive career, however, and is therefore directly linked to a collective failure to value the public service. If good government is a public objective, quality must be emphasized in the public service.

Recruiting Problems and Changing Demographics

Demographic projections from a variety of sources demonstrate that all of the above problems will be intensified in the future. The Department of Labor's *Workforce 2000*[11] and the OPM's *Civil Service 2000*[12] both warn that there will be fewer college graduates, but many more jobs requiring specialized skills and abilities. Competition for the brightest recent graduates will be even more intense than today.

Other components of the recruitment pool will also change. The Committee for Economic Development and others point out that the workforce of the future will necessarily draw much more heavily on recent immigrants and on women.[13] The Committee provides the following summary:

- Workforce growth will slow from 2.9 percent in the 1970s to only 1 percent in the 1990s.

- The number of entry-level workers aged 16 to 24 will decline by some 2 million, or 8 percent.

- Minorities, immigrants, and women will constitute more than 80 percent of workforce entrants between now and the year 2000.

- Minorities will constitute more than 50 percent of the workforce entrants between now and the year 2000.

- More than 30 percent of students in U.S. public school are educationally disadvantaged, many of whom are from minority group families.

- Women will constitute more than 60 percent of workforce entrants between now and the year 2000, and more than 60 percent of all working-age women will be employed.

- The workforce as a whole will grow older as median age rises from 36 to 39 by the year 2000.

Although all the implications of changed recruitment pools are not yet clear, some are obvious. Women entering the workforce for the first time (or reentering after an absence) and recent immigrants may need training or retraining. A larger number of women and of two-career families in the workforce points to the need for new and more flexible benefit and incentive patterns. The availability of high-quality and low-cost day care for children of working parents, for example, will become critical. Additional flexibility in hours and in workplace will assume new importance. In short, it is unlikely that the present package of federal benefits and opportunities will prove adequate in the future. Greater flexibility and innovation as well as additional training or retraining activities will be key to effective recruiting.

RETAINING EXCELLENT CAREER PEOPLE AND SKILLS

Retention is the other facet of the public service in decline. The recruitment problems have constrained federal efforts to bring in new blood, new ideas, and fresh perspectives. Failure to retain senior career managers has created a drain on program and managerial expertise at the other end of the system. These two aspects of decline feed on one another in destructive ways. Constantly decreasing resources, both human and financial, have added to the frustration and dissatisfaction of senior career officials; the high rates at which senior members become disillusioned and leave further decrease the attractiveness of the public service as a career.

The retention problem has many dimensions. Among the most significant are extremely low morale, overburdened management systems, loss of individual authority and prerogatives, and lack of recognition. A theme common to all of these is the pervasive sense that the public service is neither respected nor valued. One letter to the National Commission on the Public Service contained this assessment: "Government-employee bashing and poor pay are slowly, but surely, changing the character of the federal workforce and *not* for the better."

Retention problems may be analyzed in relation to new hires, hard-to-hire occupations, senior managers, and political executives. Each level of the problem is significant; each has somewhat different implications. Although there is not a common solution, there is a common message:

Failure to retain important members of the career service means that the federal government enters a constant and costly cycle of recruiting and training. Because of the severity of recruiting problems, failure to retain means that the cycle is not only costly, but increasingly debilitating.

Retaining New Hires and Hard-to-Hire Occupations

As recruiting difficulties have increased, some agencies have turned to advocating that the federal government be viewed as a training opportunity. Indeed, a "start your career with us" theme is becoming increasingly common in federal recruiting literature. In such a scenario, the new recruit joins a federal agency for a period of two to four years, receives necessary on-the-job training and education, then uses the new skills and abilities to move to a higher paying job in the private sector. Many see this approach as the only possible way to recruit effectively, especially for hard-to-hire occupations and for those agencies that hire large numbers of people. Quite clearly, however, such a strategy incurs significant costs.

The IRS provides an unusual opportunity to examine the costs of failing to retain seasoned employees. Because IRS revenue agents identify and capture funds that would not otherwise flow to the federal government, the cost of attrition in this category can be related to an approximate dollar loss to the government. The IRS provided the following analysis at the Task Force's request:

> During fiscal year 1987, nearly 1,200 revenue agents were separated from IRS. Of that group, about 690 quit government service, meaning they departed for reasons other than retirement, death, or transfers to other government jobs. . . . Of the 690 revenue agent "quits," over 250 were at the GS 11, 12, 13 and above grade levels. The departure of these 250 trained professionals resulted in a loss of approximately $630 million in annual revenue recovery. [In their place] the Service must hire trainees, usually at the GS-7 level. . . . The (approximately) $630 million attributable to senior "quits" was replaced by about $174 million, attributable to GS-7 trainees. . . . The aggregate cost to the government can be as high as a half-billion dollars per year.

In an independent analysis of its problems, the Department of Agriculture reports that its Soil Conservation Service has a 50 percent turnover rate for new hires. "We're getting the rejects from the private sector," said one manager. "They leave us as soon as they get the chance."

The DOD approached the issue from another way. It asked: Are higher aptitude professional and administrative employees more likely than others to leave DOD for private industry? In conjunction with the Educational Testing Service, DOD analyzed the relationship between test scores, satisfaction with federal service, and intent to remain in service. The DOD reported: "College graduates, those with more years of education, those with higher GS grade levels, and those with higher SAT scores are less likely than others to say they expect to remain in DOD or in the Federal Government." Furthermore, "Years of education and college graduate status are both negatively related to job satisfaction and. . . retention."[14] The answer to DOD's question is, unfortunately, yes. The best often do leave the Department of Defense.

Failure to Retain Senior Managers

There is considerable evidence that senior career managers are finding government service less attractive and, in fairly large numbers, are choosing to leave. The Senior Execu-

tive Service (SES), once viewed as the solution to government's management problems, is the focus of most attention in this regard. The Merit Systems Protection Board reported that, by the end of 1985, 52 percent of the charter members of the SES were no longer in government service. The Board noted that there were a number of reasons for the high exit rate, including resigning in the year in which maximum retirement benefits were available and the opportunity for better paying jobs in the private sector.

More recent data indicate, however, that the exit problem continues and that the explanations for it are somewhat more complex than earlier thought. Benda and Levine report exit rates above 11 percent in 1985 and above 10 percent in 1986.[15] Those numbers reflect an increase in the number of decisions to retire early, at the age of 55. Moreover, the reasons for retiring appear to have changed. The General Accounting Office's survey of members of the SES who left in 1985 found that the quality of political management and a deteriorating work environment were major reasons for the decision to leave government. Pay, however, also continued to be a factor.[16]

Pay Compression and Pay for Performance

The critical and overarching issue of compensation is discussed in the report of the Task Force on Pay and Compensation in this volume. In talking about retention, however, it is necessary to focus on one aspect of compensation for senior managers: pay compression. A first-level manager (GS-13, step 1) has a beginning salary of $41,121. The top career management level in the SES begins at just $67,038 (SES-1). Furthermore, although SES salaries technically range about 20 percent from the entry level to a top level of $80,700 (SES-6), the President's Commission on Compensation of Career Federal Executives reported in 1988 that the actual range is closer to 8 per cent. This is dramatically removed from the private-sector experience. It becomes especially debilitating in the public sector because many of those who report to top-level managers continue to advance up the pay scale, thus severely limiting the pay differential between those who manage and those who are managed.

The opportunities provided by pay for performance and the bonus system established by the Civil Service Reform Act of 1978 thus become significant. Just as the SES itself was declared the only game in town by many who joined it in 1979, performance bonuses have become the only way to escape the federal pay trap. This is so despite the fact that the size of the bonus pool is limited by law and the average bonus is not large. In 1987, for example, 2,006 members of the SES received a performance bonus. The average size of the bonus was $5,894. This represents an approximate doubling in the number of recipients from 5 years earlier, when 1,095 awards were made. The average award in 1982 was slightly larger—$6,287. The Presidential Rank Award system makes it possible for a smaller group of senior executives to receive larger bonuses—generally about $20,000. On average, however, only about 2 percent of the SES membership received these awards from 1980 through 1987.[17]

Unfortunately, critical elements of the pay for performance system are not working properly. The most significant problem, and one that occurs across all levels of management and in all agencies, is that bonuses are not perceived to be linked—even tangentially—to performance. This failed link, combined with small awards, leads to attitudes such as those of one manager who noted, "It's an insult, not an incentive."

A 1986 Merit Systems Protection Board survey found that more than seventy percent

> **of the career executives who responded believed that the SES compensation system did not help in recruiting and retaining highly competent executives. A 1987 study of senior career executives in a major federal agency reported: "Executives approve of the concept of a bonus pay system, but have deep seated concerns about the way the current SES bonus system is administered...78% said that the SES bonus system did not provide an effective incentive for them to meet their job objectives...69% said the SES bonus system is not administered fairly...76% said there is not a direct link between their performance and their likelihood of receiving an SES bonus."[18]**

The OPM has proposed legislation that would increase the size of the bonus pool, eliminate the tie to Executive Schedule salaries, and increase the total amounts of rank awards. All of these would begin to remedy current inequities; the problem of performance evaluation remains central, however, and must be addressed.

Morale and Motivation Among Senior Career Managers

Serious morale problems are a tragic and endemic hallmark of the federal service. Communications to the National Commission on the Public Service included these assessments: "I currently have 29 years of civil service employment and today, more than ever, I hate to admit to anyone that I work for the Federal Government. Working conditions and employee morale are at their lowest." A federal employee in the Northwest said: "Based on my 26 years in civil service, I see the lowest morale yet." From Texas, a career manager wrote: "Under no circumstances will I allow my college-educated children to consider a civil service career." These spot assessments reinforce survey findings from the General Accounting Office, the Merit Systems Protection Board, the Federal Executive Institute Alumni Association, and, most recently, *Government Executive* magazine.

Low morale and high dissatisfaction inevitably affect the ability to retain seasoned managers. An important part of public service motivation flows from the knowledge that the employee is performing a valued service in pursuit of an important policy objective. Negative rhetoric such as that directed at the career civil service in the past 15 years has cut that motivational link for many.

Managerial Constraints and Retention of Senior Managers

Despite pay and morale problems, substantial evidence exists that many government managers are still committed to public service and want to be good managers. This evidence was apparent in a 1988 *Government Executive* survey in which nearly 70 percent of the respondents reported morale problems, and 76 percent reported that their jobs were satisfying or exciting and indicated deep commitment to their jobs and their agency and a strong desire to "get on with managing."[19] This strong commitment to the public service is a major resource.

The complexity and red tape of the current system is a substantial obstacle to that resource's being fully tapped. Volumes of rules and regulation govern federal managers—personnel procedures alone have generated nearly 10,000 pages of directives. Add to that financial accounting procedures, information mandates, and the many other central control systems that define the federal management environment, and the frustration of many excellent managers becomes understandable. Further, federal managers must operate within a system that links personnel needs and functions only to the personnel system, separat-

ing it from managerial, budgetary and program considerations. In one respect, therefore, the contemporary federal manager operates in an environment of unnecessary regulation and constraint. In another, however, he or she operates in a void: there are few clear managerial prerogatives, and few ways to exercise the judgment that is critical to good management.

To be more effective and to be more likely to remain in the federal service, therefore, federal managers must be freed of the many regulations and constraints that limit both their authority and their accountability. One objective of the Civil Service Reform Act of 1978 was to create "systems that could be used effectively by honest people." As the year 2000 approaches, the need for flexible management systems that value and reward individual initiative and accountability is greater than ever before. A manager who is trusted, respected, and challenged is more likely to stay in the federal service. Only a manager with the authority really to manage can be held accountable for success or failure. More flexible systems are not only in the best interest of the federal manager, but also in the best interest of good government.

The Federal Employee Retirement System and the Retention of Senior Managers

The federal retirement system has long snapped "golden handcuffs" on the wrists of many members of the federal service. After an employee has spent a number of years in civil service, he or she would be reluctant to leave because of the nontransferability of accrued benefits. The new federal employee retirement system (FERS) contains some portable benefits, and although it is difficult to estimate the long-term impact of FERS, one outcome clearly will be increased exit. It also appears likely that those most likely to leave will be those most in demand in the private sector—and thus those most difficult for the government to have hired in the first place. Some argue that increased exit will be beneficial, that government will be reinvigorated by the regular need to hire new staff. This will be true only if the federal government is consistently able to hire high-quality employees and if the budget is able to bear the cost of nearly constant training. The likelihood of the government's becoming a short-term employer, training people for longer term private sector employment, is great. No government-wide data are now available in this area; some means for closely monitoring the situation must be found.

THE ROLE OF THE OFFICE OF PERSONNEL MANAGEMENT

When the Office of Personnel Management was created by the Civil Service Reform Act of 1978 and Reorganization Plan No. 2, it was envisioned as a central human resource planning agency. The Reform Act gave OPM broad powers to delegate responsibility and authority to the agencies, and specified that OPM develop a "monitoring" function to determine that delegated responsibilities were carried out in an appropriate way. The OPM has not met early expectations and remains, in many ways, an agency in search of an identity.

Although OPM operated for a brief time at the end of the Carter Administration, it was President Reagan who really shaped the early character of OPM. Many would argue that it was shaped in primarily negative ways. President Reagan's first appointee as Director of OPM took a political approach to both the position and the agency. During his tenure, the number of political appointees at OPM more than quadrupled, from 8 to more than 32. In 1988, the number of political appointees at OPM was still high.

Equally troubling is the fact that the political appointees to OPM were often actively hostile to the career civil service. The frequent turnover of those appointees created constant turbulence in the agency. More than 60 percent of the political members of the Senior Executive Service at OPM stayed in their positions for less than one year. Budget cuts and reductions-in-force at OPM eliminated entire functions related to planning and evaluation. The morale of those careerists who remained with the agency was low and the organization's effectiveness was severely diminished.

The appointment of Constance Horner as Director in 1985 signalled a new direction for the OPM. The Federal Executive Institute was revitalized and a new director named. The decentralization authority granted by the Civil Service Reform Act was used more extensively to facilitate recruiting and hiring. The SES was given additional support and encouragement. Significantly, in 1987 and 1988 the agency paid serious attention to promoting the public service and to recruiting, preparing, and distributing polished "Career America" recruiting materials. In June 1988, Director Horner introduced a new plan for civil service hiring. Although specific provisions have not been determined, the existing Outstanding Scholar Program will be expanded. In its new form, it will permit agencies recruiting on campuses to hire, on the spot, qualified graduates with a grade point average above a certain level (probably 3.00).

This direct-hire authority will be supplemented by a series of occupationally based exams that will cover some of the positions formerly filled by the PACE exam. The exams will include a component, called the Individual Achievement Record, that OPM expects to "build measures of character directly into the written exams."[20] These examinations are still being developed and their validity must be carefully examined. Although they have been useful in the private sector, their transferability to a public setting must also be closely analyzed. All of these efforts represent efforts to address existing gaps in the system, but it is too early to assess their overall impact.

At the same time that these events are occurring, there is consensus that OPM stands at the crossroads.

> A recent survey in *Government Executive* found that federal managers placed OPM among the least successful federal agencies. The Merit Systems Protection Board and the Federal Labor Relations Authority, also created by the Civil Service Reform Act of 1978 and also critical to an effective public service, joined OPM at the bottom of the list.[21]

Horner acknowledges the need for continued growth and change and suggests that OPM should move toward being the "management consultant for the federal government." *Civil Service 2000* recommends that OPM support much-expanded experimentation in personnel and compensation systems. Other options include: leading a major research and development effort and supporting innovation in new and substantive ways; serving as the long-range strategic planner for the federal workforce; and assuming a leadership role in training and development. None of these functions contradicts another; all are important. The OPM is central to the revitalization of the workforce. Is management consultant its correct role? If not, what is?

RECOMMENDATIONS FOR ACTION

To resolve the problems outlined above and to prepare for the demands of the future, the Task Force on Recruitment and Retention recommends that the President and Congress consider the following major initiatives:

RECOMMENDATION 1

Make an exemplary public service a national priority.

A. **Lead the Public Service.** Do not burden the public service and the nation with leaders of modest—or worse, negative—expectations. Guarantee that the Office of Personnel Management (OPM), the Merit Systems Protection Board, and the Federal Labor Relations Authority have leadership of the highest caliber. Charge those leaders with establishing and supporting high expectations for public service performance and productivity. Charge those leaders with achieving national goals and priorities through effective and excellent administration and service delivery.

(1) Reorganize OPM to provide leadership, challenge, and innovation. Transfer routine operating responsibilities, such as retirement, to an agency, such as the Social Security Administration, better equipped to deal with them.

(2) Emphasize research: Create an OPM that asks critical questions about motivation, productivity, and job satisfaction.

(3) Emphasize innovation: Create an OPM that champions change and innovation, communicates its lessons, and stands as an object lesson of its value.

(4) Emphasize using resources better and more productively: direct OPM to make productivity a top priority once again.

B. **Respect the Public Service.** Do not tolerate the bureaucrat bashing and denigration of the public service that have marked the past 15 years. The career civil service is a national resource; its vitality depends on public trust and support. Elected officials, from the President to Members of Congress, must make a committment to positive leadership and to nurturing, not destroying, public trust in the public service.

C. **Challenge the Public Service, Demand that Expectations be Met.** Much of the negative rhetoric has been based on the assumption that career civil servants would not—indeed, could not—respond to change. Assume instead that, with clear direction and support, the public service will work with elected officials to achieve necessary change. Guarantee positive direction and support throughout government. Establish a partnership for good government that clearly includes the public service.

In the context of that partnership and without reverting to punitive intent, hold the public service to high standards of performance and conduct. Career civil servants are deeply committed to good management and good government. Those few who are not do not belong in government. Encourage individual authority and innovation and remove procedural constraints on managerial capacity. Create a system that rewards excellence and commitment, and does not reward only longevity or survival.

D. **Sell the Public Service.** Publicize the federal service. Talk about the things it does well, about the many opportunities it offers, about the enormity of the problems it tries to solve. Honor the public service in public ceremonies and in political events. Acknowledge

the contribution that career civil servants—bureaucrats—make to the society's well-being. Direct OPM to be an advocate, an advertiser, and an ardent recruiter of excellent candidates.

RECOMMENDATION 2

Align accountability and responsibility in the federal personnel system.

A. Decentralize Within a Framework of Government-Wide Objectives and Standards of Accountability. Create a system that gives managers the authority they need to manage. The current system—or, as some maintain, nonsystem—removes important authority from the career managers who are most responsible for the day to day activities of government. Control through multitudes of regulations and procedures, administered by a central agency removed from service delivery, has created managers with limited power but full responsibility for any problems that occur. Greater congruence between operating responsibility and managerial authority is absolutely necessary.

Significant decentralization activities have already begun to occur. The decentralized recruiting and hiring that occurred under Schedule B, the cooperative agreements between many federal agencies and various colleges and universities, and the recent OPM announcement regarding the expanded use of the Outstanding Scholar Program are important examples. Additional decentralization is necessary, however, to meet the diverse needs of federal agencies. Some occupations are uniform across government, but many remain closely tied to agency mission. The responsibilities of a procurement officer at a NASA Space Flight Center differ from those of a procurement officer in the Department of Agriculture. Computer specialist responsibilities and skills for the Internal Revenue Service, the Soil Conservation Service, the Air Force Systems Command, and the Federal Aeronautics Administration vary dramatically. To match skill—or potential for skill development—with agency needs requires additional decentralization to the agency level.

New activities must become candidates for decentralized administration. Job classification is one example. The need for flexibility and adaptability mitigates strongly against continued centralization. A manager from the Internal Revenue Service said, "[W]e have a great need for new occupations. The existing classification system just does not serve our needs. For example, engineers for our computer systems—how would you grade and classify such people? How can we hire them? One estimate is that there may be a need for 4,000 to 4,500 new occupations a year [government-wide]. . . ." The OPM should examine the implications of eliminating the Classification Act of 1949 and of allowing all classification activity to occur at the agency level.

The OPM must support small demonstration projects in this and other areas. More flexible and innovative classification schemes should be tested in a variety of agency settings and for a variety of occupations. Managerial discretion should be emphasized.

The Commission recommends the creation of management demonstration projects, under the research and demonstration authority granted the OPM by the Civil Service Reform Act of 1978, whose purpose is to create and monitor experiments in pure managerial flexibility. Managers would be selected for the demonstration from the executive (rather than the scientific or technical) ranks of the Senior Executive Service. The staff assigned, as needed for the duration of the project, would have rank-in-person status. The manager would be given a guaranteed budget for the three-year period, objectives, and the freedom to reach those objectives in whatever way he or she determines most feasible, relying on common

sense and the managerial expertise for which he or she was selected. Monitoring would be minimal and would focus on implications of increased flexibility for retention of senior managers and on the transferability of lessons learned to other government settings. The experiments would approximate, to the greatest extent possible, the managerial authority and prerogatives enjoyed by private sector executives.

All additional decentralization should occur, however, only in the context of a government-wide personnel management strategy that establishes government-wide objectives and standards of accountability. Further, decentralization must occur with the clear understanding that not all federal agencies are equally able to assume additional tasks and responsibilities. There is a need for central technical assistance and education, as well as for coordinated and timely information dissemination.

B. **Delegate.** Transfer authority and accountability, not just activities. The Civil Service Reform Act of 1978 gave OPM far-reaching authority to delegate personnel functions to agencies. Testing and examining is one such function. The OPM has delegated this authority as needed for direct hires. It is not clear to what extent the testing activities proposed for the new occupation based examinations will be delegated to the agencies. Constant OPM scrutiny is necessary to ensure that agencies have the requisite authority to meet current and future challenges. In addition, agencies must be constantly encouraged and supported in their efforts to delegate internally, so that managerial responsibility matches managerial authority throughout government.

C. **Simplify.** Eliminate the federal personnel red tape jungle. One federal manager wrote, "OPM is its own worst enemy. They create a mountain of standards, most of which are so far behind the curve that they are totally unrealistic." In performance evaluation, in hiring, in classification, and in many other areas, the goal must be to minimize paper and to maximize flexibility. Two examples clarify the need for simplification.

First, the extensive use of background checks for many occupations should be reduced. The process is time-consuming, costly, and of questionable value. The OPM now is running an $11-million deficit because of these investigations. Further, because the investigations are paid for by revolving funds generated by OPM's training unit, their exorbitant cost directly eliminates many potential training opportunities.

The second example involves the system for veteran's preference. Congress has determined that preferential treatment for military service is desirable. The current system is so cumbersome, however, that it can, and sometimes does, work against the veterans it is designed to help.

The long-term objective in simplification must be for OPM to provide broad standards and principles and to retain broad oversight responsibility and capability, but to delegate to the agencies the responsibility to devise simple and fair specific procedures.

RECOMMENDATION 3

Meet the challenge of recruiting college graduates head-on and aggressively.

A. **Establish a Federal Service Loan Forgiveness Program.** Every available demographic projection warns that future competition for fewer college graduates will be intense. A program that would forgive some part of a federal education loan for a set term of federal service is one way to increase government's competitive edge.

B. **Establish a System of Grants to Those Colleges and Universities That Will Recruit**

Students to be Trained for Public Service Careers. Declining resources at many colleges and universities have reduced, or in some cases eliminated, the ability to recruit energetically. To ensure a multicultural workforce, however, the pool of available applicants must be broad-based and diverse. To the extent that the federal government is able to assist colleges and universities to recruit and train a diverse group of students and to channel those students into the public service, the career service will be both broadened and strengthened. This new initiative could well be supported by private foundations with a concern for the long-term well-being of the public service.

C. **Create a Limited but Prestigious Public Service Scholarship Program.** The need to recruit competitively will be dramatic in the next two decades. The private sector will compete more aggressively and with more money than today. The demand for skills will increase as the pool of college graduates decreases. In 1988, the annual cost of some private colleges approached $20,000. If current rates of increase continue, the annual cost of an undergraduate education will exceed the average American family's annual income within the next 20 years. Many good students will be unable to afford a college education and even those who attend public universities will graduate with large educational debts. New opportunities for financial assistance will be attractive. *Congress should create a well-publicized, highly competitive public scholarship program that will provide significant funding for undergraduate education in return for a fixed period of federal service. Minority students must be a particular target for this program. The program must contain an offset provision that will prohibit colleges and universities from reducing total financial assistance by the amount of the scholarship.*

Several such proposals have already been advanced. In 1988, Representative Patricia Schroeder introduced the Excellence in Government Management Act, which would have established 1,000 fellowships government-wide. The fellowships were modeled on the Department of Defense's Reserve Officer Training Corps, which provides partial education funding in return for a specified length of service following graduation.

D. **Advertise Existing Financial Opportunities Widely and from a Central Point.** Opportunities, such as the existing Truman Scholarship Program and the Patricia Harris Fellowships, that now assist students interested in a career in government (although not necessarily at the federal level), could and should be advertised with public service fellowships. Students must have a convenient and central source of information about all public service scholarships and fellowships.

The harsh reality of the next 20 years is that the recruiter with financial incentives will get the attention of the most students. To level the playing field for government recruiters, the federal government must offer a variety of financial incentives.

E. Make It Easier for Student Employees to Become Permanent Employees. Broaden and simplify existing student employment programs. The Cooperative Education Program, which permits students (called coops) to alternate periods of study with periods of employment and compensation, is one example. Many organizations use it as a means of targeting students in hard-to-hire occupations such as engineering. As early as sophomore year in college, the student is able to mix part-time government employment (and compensation) with continued study. From the agency perspective, the program is valuable because it permits early and agency-specific training, because it provides some financial assistance to the student, and because it permits the agency to assess the student's potential as an employee. The program is also valuable because employees who enter the civil service in this way generally have a higher retention rate than other employees. A study of attrition of procurement officers at NASA's Goddard Space Flight Center, for example, found that, "[R]etention

coops converted to full-time permanent positions was highest at 67 percent, compared to 49 percent for other external hires."[11] Other agencies report similar statistics.

In June 1988, OPM announced a simplification of the coop program that will make it easier to reach agreements with participating colleges and universities and to convert students to full-time employees. The grade at which students became staff had been a problem for many. This was most notably true for people with a master's degree, because they could be appointed only to a GS-7. The new guidelines appear to raise that appointment level to a CS-9. Additional flexibilities are also necessary if more agencies are to recruit and retain coop students. Among these is the need to reanalyze the balance between periods of employment and periods at school. A program calling for a semester at school and a semester away, for example, is disruptive to both student and employer. In addition, more flexible travel reimbursement policies are necessary, so that assistance can be provided to students who must travel to work assignments and reside there for a lengthy period.

F. Use Student Internship Programs as Aggressive Recruiting Tools. Expand the use of other internship programs. Internship opportunities, such as the Presidential Management Intern Program, provide high-quality candidates for the career service. Before 1988, 200 interns were selected for the program from a national competition each year; in 1988, the total number of interns was increased to 400. The nature of the selection and the prestige of these internships generally provide bright, capable, and committed students to the agencies in which they are placed. This program's interns are likely to be among the managers of the future if they stay in government service. The number of program applicants however, has decreased by more than half in recent years. Although this is a program with good potential, some changes are necessary.

At present, the Presidential Management Intern Program is aimed at graduate students in schools of public administration and public policy. This is an appropriate target and one that provides well-trained students who are interested in general management. *The federal government, however, generally hires specialists, not future managers. An expanded Presidential Management Intern Program aimed directly at students with technical or engineering skills and an interest in management would provide early exposure to management needs and activities, and would enhance long-term management capabilities for scientific and technical agencies.*

In addition, all government agencies should receive the necessary budgetary support to create their own internship programs. As is the case now in the Department of Defense, these agency efforts should not be driven and limited by existing vacancies, but by careful analysis of future management needs. All internship activities in the federal government should be based on a clear understanding of the need for career development opportunities, of the need for clear career paths, and on the commitment of the agency to the intern as a valued and important employee.

If the intern experience is not a useful one, some of the best and brightest that government is able to recruit will be disenchanted with federal service early on. Both government-wide and agency-specific strategies for the development and retention of Presidential Management Interns and other interns must be developed and promptly implemented.

G. Make It Easier to Hire Good Graduate Students. Facilitate on-the-spot hiring of students with graduate degrees. Advanced education will become increasingly important to government employees in the years ahead, but many of the simplified hiring practices now in use apply only to undergraduate students, not to graduate students. For many occupations, graduate students are prime targets for government recruiters. Flexible and fast authorities should be extended to them.

H. Use Those Who Are Challenged by Public Service to Challenge Others. Some of government's most effective recruiters rely on senior managers for on-campus recruiting efforts. The General Accounting Office, widely recognized for its recruiting success, sends its most senior people to "sell" the agency. Senior managers understand and are able to communicate the complexity and excitement of a federal career.

I. Create Innovative Tools for Federal Recruiting Efforts. Provide flexible incentives that recruiters may choose from to meet the needs of each candidate. Private-sector organizations are able to tailor incentives; public-sector organizations must be able to do the same. Moving expenses, recruitment bonuses, the promise of future educational support, and the assurance of career development and training are all tools that should be available when needed. They will not be necessary for every hire; they will be necessary for critical hires.

This flexibility must be buttressed by the following supports: First, clearly visible information channels are needed from the federal government to college and university placement offices and key faculty members. These must include the specialized schools of public administration and policy, as well as other colleges and universities that are likely to provide a pool of candidates for hard-to-hire occupations. There is a strong need for a central information source and referral point. Such a central function would complement and supplement, not replace, individual agency efforts.

Second, agencies with specialized recruiting needs must develop systematic communication with likely sources—professors and professional groups as well as specific colleges and universities. The Air Force Professor Tour, in which professors in engineering and other technical fields are "toured" through Air Force facilities and equipment, is one example of such a process.

Third, additional broad-based flexibility in advertising job opportunities in the federal government is needed. Newspaper advertising, the use of employment agencies and, in some cases, executive search organizations, will be a necessary part of creating a candidate pool. All these techniques must be strengthened and expanded.

It is necessary to ensure that all of these strategies and tools are used to guarantee a representative workforce that exemplifies not only the excellence, but also the diversity, of the American population.

RECOMMENDATION 4

Create and support a federal executive development strategy; support and reward executive excellence.

A. Define Who and What a Federal Executive Is. Federal Management systems suffer from a basic problem: the definition of management is left largely to chance. When the Senior Executive Service was created, for example, eligibility was determined by pay level, not by managerial or executive responsibility. Yet a research scientist who was a GS-16 had different authority and responsibility from that of a GS-16 who managed programs and people. For many purposes, however, and certainly in the SES, the two are lumped together. Recognizing and rewarding executive contributions are made more difficult. *To emphasize the importance of management generally and executive development in particular, a clear government executive track should be created in the SES. Membership can be gained only through previous management or executive experience. Bonuses and other awards will be made on the basis of human resource manage-*

ment capability and contributions, and excellence in staff development and other key human resource functions.

B. **Emphasize the Development of Career Paths.** Clear career development plans and paths are rare in the federal service. Few agencies have created executive development systems, even for members of the SES. Unlike the private sector, in which managers are groomed for future responsibilities or selected because of specific management skills, career civil servants often automatically become managers when they reach a certain grade.

The military development strategy, with its clear stages of development and growth, is often recommended. The clarity of career development options, the opportunities available to assist in meeting career objectives, and the ability to plan for the longer term are as attractive to those with an interest in a civilian public service career as they are to military personnel. Other models are also available. The General Accounting Office has a well-developed executive development plan for new members of the SES. It familiarizes them with agency-wide operations, as well as with longer term management options. The Internal Revenue Service has developed a comprehensive executive development plan that clearly outlines the steps and talents necessary to achieve executive status in that organization.

Many agencies would be aided in their efforts if a government-wide strategy existed. This is yet another case requiring broad central principles for decentralized application.

C. **Define and Train for Leadership.** The ability to lead is key. Both individual agencies and the Office of Personnel Management must make a strong committment to developing the executive leaders of the future. That means that a clear training strategy must exist and resources must be available to all agencies. The OPM is the largest vendor of federal training contracts; currently, no significant strategy guides their dissemination. Although federal training centers exist, they are not tied to an overall strategy. The Federal Executive Institute, which could serve as a kind of graduate school for executive and leadership development, needs a basic level of common training to draw on. That common base does not now exist.

The creation and support of leadership development strategies are not only appropriate foci for federal training funds, but also speak to a critical government-wide need. The OPM must exercise aggressive leadership in this effort. Leadership development activities have been ignored for too long.

Individual agencies must identify the employees for whom training and development would be most beneficial. Agencies must take the development of their own people seriously. The frequently stated sentimcnt that "there's not much future in the federal government" is directly related to the failure to create an organizational family, to recognize and reward individual contributions, and to create common organizational purpose. Good leaders do all of those things. Their development and support is crucial to future effectiveness.

In these, as in all federal training efforts, special emphasis must be placed on women and minorities, and on incorporating them into the federal management structure. As they assume a majority role in the workforce population, their leadership skills must be recognized and developed.

D. **Structure an Adequate and Appropriate Incentive System.** Little is known about what motivates public-sector employees and why. Much thinking in this regard is based on a simple transfer of private sector techniques. When the SES was created in 1978, for example, it contained a financial incentive system. Members of the SES compete with other members in their agencies for various financial bonuses and awards. Prior to its government-wide adoption, the incentive system had never been tested or evaluated in a federal setting.

The Civil Service Reform Act also created a merit pay system for mid-level managers (grades GM-13 to GM-15). Both the SES and the merit pay systems rely on performance evaluation to determine "winners"; *at both management levels, there is a pervasive belief that existing performance appraisal mechanisms do not work.* For both merit pay and the SES bonus systems, it is time to *make* the system work and to make the rewards worthwhile, or to find an alternative.

The performance evaluation process must be simplified; at present it is viewed as a paper exercise unrelated to any positive outcome. Managers at all levels, including the political executives who rate senior career managers, should be trained in using performance evaluation techniques in an equitable and effective way. The issue of who is eligible for the awards must be addressed. Our earlier recommendation for a government executive track in the SES would specify that the bonuses awarded to that group would reward only good management—other bonuses could be set aside for unusual scientific, research, or public service contributions. This would greatly clarify both the purpose of the award and the composition of the group within which each manager competes for recognition.

Eligibility is also related to the question of how far into the organization the individual award system should be driven. Currently, half of each organization's SES membership is eligible for an annual bonus. Well over half of merit pay managers in most agencies qualify for a bonus. In our view, this is too many. The current system encourages using the bonus system as a supplement to an inadequate salary, rather than as a reward for outstanding performance. First, federal managers' salaries must be made more comparable with their private sector counterparts salaries; then, and only then, the bonus and award system must be refocused, both to reward fewer managers and to reward truly outstanding performers.

The usefulness of nonfinancial rewards for excellent public service must also be recognized and expanded. Symbolic recognition that rewards outstanding contributions and that explicitly reinforces the larger purpose of the public service—to serve the public—can be powerful. Many nonfinancial awards and methods of recognition exist, but have not been fully employed or publicized. At one time, the National Civil Service League provided an important set of visible rewards for exemplary public service. New honors and awards, based on that model, should be created and emphasized in the future.

E. Examine the Role of Mobility in Career Development. Many organizations consider the ability to move an employee from office to office and from region to region basic to his or her career advancement. The Senior Executive Service contains a provision that its members could be moved both within and among agencies. The underlying assumption in both of these cases deserves new analysis. Is mobility good? Are there cases in which mobility is bad? For what positions and what purposes is mobility desirable? Are there cases, in this era of two-income families, in which the benefits of mobility to the organization are outweighed by the costs to the individual employee? The recent reports *Workforce 2000* and *Civil Service 2000* both emphasize that more women and more two-income families will characterize the workforce of the future. If mobility is essential for executive development, should there be a bonus for the willingness to move? All of these questions and many more are relevant to the contemporary public manager. They will become even more relevant in the future as more women assume managerial roles. They should be addressed now.

F. Rectify the Federal Benefit System. The federal benefit system is complicated and burdensome. It is already clear that the new federal retirement system will create additional demands for portability of other benefits and for new lateral-entry incentives. At present, the federal benefit system is a detriment to effective recruiting.

The most obvious example is health insurance. The costs are rising each year and more federal employees are carrying lower levels of coverage than they need to avoid consistently increasing costs. These costs are attributable in large part to the plethora of plans available to federal employees and the concomitant failure to pool risk. By failing to adhere to basic principles of health insurance, the current system guarantees that costs will continue to rise while benefits remain level or decline.

Action by Congress is necessary to change the rules of the federal benefit system. This change should be a high priority for the President and for Congress, as well as for the Office of Personnel Management. Change will occur only gradually in this area, but the questions and their implications should be considered now. Good benefits are an important part of an attractive career choice. The quality of federal benefits has already eroded; further erosion will be seriously detrimental to effectively recruiting and retaining valued employees.

G. **Create Retention Awards and Bonuses.** In the past 10 years, the number of senior managers who chose to retire at age 55 increased substantially. With their departures, the federal government lost valuable resources that will take years to replace. The *Government Executive* survey cited earlier indicated that many of those people would have stayed longer had even a modest bonus plan been in place. Of course, not all managers should be coaxed to stay. For those in critical positions, however, and especially for those in hard-to-hire or sensitive occupations, the validity and value of a serious effort to keep them is clear. The use of a retention bonus must be *highly* selective, but it should be an option for federal executives.

CONCLUSION

The problems faced by the career civil service today will only become more profound. They will involve not only recruiting from different pools, but also retraining existing employees for new tasks and occupations. The gargantuan tasks facing federal personnel systems demand intense commitment and superb skill—problem-solving strategies, not piecemeal, reactive attempts to cope. Selling the public service as a challenging and valued career must assume a high priority. It must be accompanied by a new emphasis on professional and ethical public service, for political as well as career members of the public service. Elected and appointed officials must not only establish and support high standards and expectations for career performance, but also create an environment in which career civil servants can work with appointees with trust and respect. Elected officials and the public must understand and value both the institution of the public service and its individual members.

The public service, in turn, must understand that its duty to serve the public can never be compromised. Excellent and honorable government must be the standard for all.

ENDNOTES

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2. Data are from the Central Personnel Data File, U.S. Office of Personnel Management, Washington, D.C. Entrance data exclude transfers from one position to another and returns to the workforce after leaves of absence. Exit data exclude intragovernmental

transfers and leaves of absence.

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5. U.S. Department of Defense, Naval Research Laboratory, "Data on Problems Recruiting and Retaining Scientists and Engineers" (Washington, D.C., January 1986).
6. Charles Levine and Rosslyn Kleeman, "The Quiet Crisis: The Federal Workforce in the Year 2000" paper prepared for the Brookings Institution-American Enterprise Institute Conference on the Public Service in the Year 2000, Washington, D.C., September 1986.
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18. U.S. Merit Systems Protection Board, "Federal Personnel Policies and Practices—Perspective From the Workplace" (Washington, D.C.: December 1987); and U.S. Department of Treasury, Internal Revenue Service, "The Treatment of IRS Executives" (Washington, D.C.: April 1987).
19. Timothy B. Clarke and Marjorie Wachtel. "The Quiet Crisis Goes Public" *Government Executive* (June 1988): 14–29.
20. Constance Horner, *supra* note 3.
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ANNEX I

THE "BEST AND BRIGHTEST": CAN THE PUBLIC SERVICE COMPETE?

Executive Summary of a

Research Project Sponsored by

The National Commission on the Public Service

by

Ronald P. Sanders

INTRODUCTION

Much has been said and written of the public service's apparent inability to attract quality human resources to its ranks. This difficulty—often characterized as a crisis—seems especially acute among top college graduates, and it stands to worsen as these graduates enter a "sellers" labor market in the 1990s. However, evidence of such a crisis is inconclusive, establishing a *prima facie* case at best. For example, the General Accounting Office has observed that support for such claims consists almost entirely of "individual anecdotes, unsystematic sampling of (current) employee or supervisory opinions, or . . . inferences from other data such as comparisons of Federal and non-Federal employees' pay and benefits." To be sure, these are viscerally persuasive, but there remains an empirical burden of proof.

In an effort to meet this burden, the National Commission on the Public Service sponsored the research project detailed in the attached report. It is specifically designed to assess the standing of the public service (and the Federal civil service in particular) as a prospective employer of the nation's top college graduates. As a means of gaining access to this select group, we surveyed 865 new members of four major collegiate academic honor societies: Phi Beta Kappa, for liberal arts students; Beta Gamma Sigma, for students of business administration; Sigma Xi, for students in the sciences and engineering; and Pi Alpha Alpha, for students of public administration. We asked members of this sample group two principal questions:

First, what do you want most in a job? In this regard, we asked respondents to rate and then rank 11 possible job outcomes in terms of importance: advancement opportunities, autonomy on the job, financial reward, personal growth and development, prestige in the community, professional recognition, job security, service to society, cooperative and congenial social relations, pleasant working conditions, and challenging work.

Secondly, given these possible outcomes, do you believe that the public service, among other employment alternatives, can provide those that are most important to you? In this regard, we asked respondents to rate the "likelihood" of realizing important job outcomes in the Federal civil service, state and local government, large private corporations, small businesses or professional firms, academic institutions, and the military.

Our respondents are arguably the "best and brightest" of the Class of 1988. Representing a dozen academic disciplines from more than 200 colleges and universities, over 92 percent of our sample have a Grade Point Average (GPA) of 3.5 or better, on a 4.0 scale; their overall average GPA is 3.72. More than half have completed graduate school, with the remainder receiving undergraduate degrees, and all have entered the very labor markets that the public service must tap. Thus, their views have important implications for government. These views and the recommendations that derive from them are briefly summarized below.

SUMMARY OF RESULTS

The results of our research may be simply stated. In looking for work, the top gradu-

ates of the Class of '88 are motivated primarily by intangible rewards, such as challenging work and the opportunity for personal growth, rather than pay and promotion. There is good news for the public service in this. Our results suggest that it need not attempt to compete for the best and brightest on a politically prohibitive "dollar-for-dollar" basis; however, the bad news is that top graduates do not see the public service as providing those intangible rewards that are most important to them. It is contribution, not compensation, that seems to drive the market for top college graduates, and the public service fares poorly in this regard.

In relative terms, pay and promotion are among the least important job outcomes of our sample group. Of the 11 outcomes rated by that group, opportunity for advancement and financial reward ranked ninth and tenth overall (prestige was last); business graduates ranked promotion and pay fifth and eighth respectively. Men placed greater importance on financial reward than women; however, overall, almost 84 percent of those responding said that "making a lot of money" was not a measure of real success, and over 62 percent felt that they would be satisfied with "earning enough money for a comfortable standard of living."

In sharp contrast, the best and brightest in all disciplines ranked challenging work and the opportunity for personal growth as their two most desired job outcomes, by wide margins. Over 72 percent said that challenge was "essential" in a job, while 64 percent said the same about personal growth.

Interestingly, service, characterized as "work that is intrinsically worthwhile to society," also emerged as one of the more important outcomes to our sample overall—only business majors ranked it low. About half of all respondents felt that such work was "the main thing that matters about a job." Autonomy was also ranked among the most important requirements. These requirements, ranked by relative importance, are summarized in Figure 1.

By themselves, these results are somewhat encouraging. They suggest that the public service need not engage in a "bidding war" with its competitors for the best and brightest—*if* it can offer the intrinsic rewards that are most important to them. Unfortunately, our sample sees little chance of that in today's public service. According to our data, top college graduates see such service as intrinsically "barren," where, almost by definition, it should be just the opposite.

Our sample ranked the Federal service, state and local government, and military fourth, fifth, and sixth, respectively (out of the six possible employment alternatives posed in our survey) in terms of providing challenging work and the opportunity for personal growth, although women tended to give the Federal government somewhat better marks in this area. Public administration students rated opportunities for personal growth in government service no better than did those in other academic disciplines—"just as likely as unlikely." Our respondents found challenge and opportunity for personal growth to be much more likely in academic institutions, small businesses and professional firms, and large corporations.

Only about six percent of our sample strongly felt that government work was "challenging and intellectually stimulating," while more than 70 percent did not believe that it offers a good chance for responsibility early on in one's career. Almost 86 percent did not think that a government job would allow them to use their abilities to the fullest, and about half stated that most civil service jobs were routine and monotonous. Graduates in business administration, the sciences, and engineering were especially critical of government in this respect.

As might be expected, only in providing job security does the public service rank ahead of all other employment alternatives. However, security is of only moderate importance to

Figure 1
Outcome Importance
(In Order of Average Importance Rating)

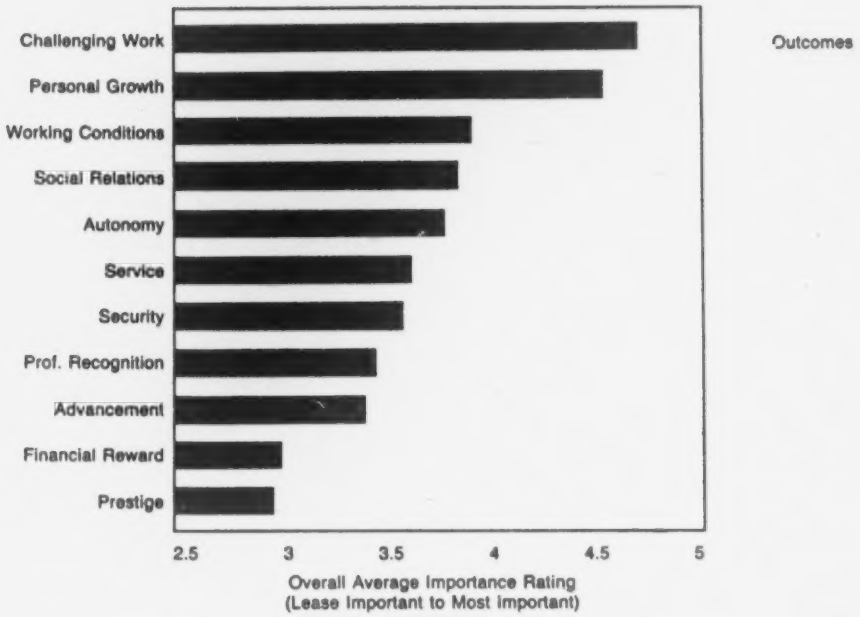


Figure 2
Profiles of Employment Alternatives
(Relative "likelihood" of outcome occurrence)

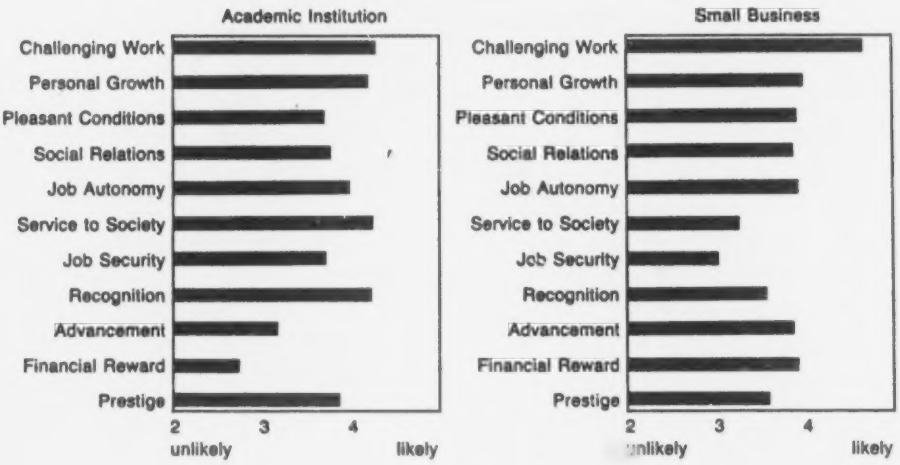
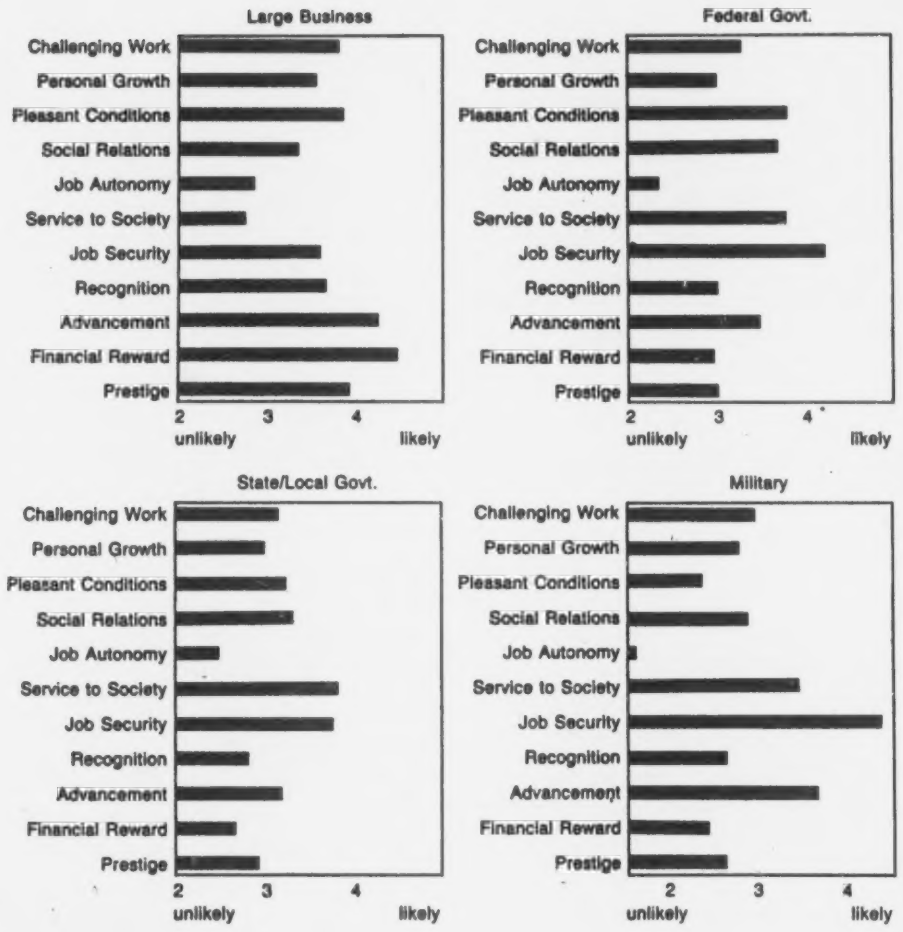


Figure 2 (continued)



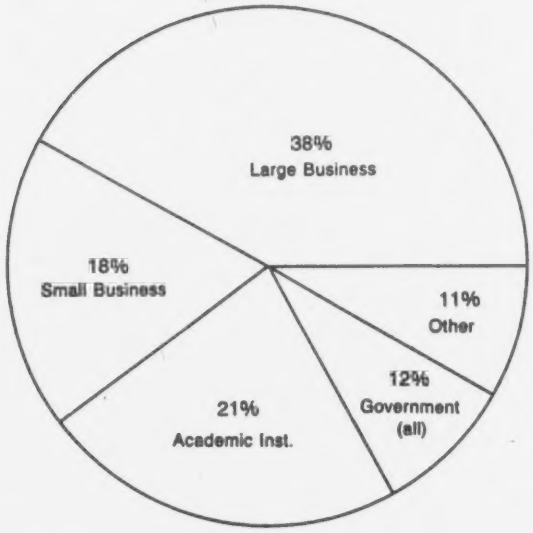
our sample; while 75 percent indicated that the government provides a great deal of security, only 25 percent stated that security was more important than opportunity. Female respondents placed somewhat more importance in job security.

Profiles of each employment alternative are provided in Figure 2. These show graphically the comparative "likelihood" of realizing important job outcomes in each such alternative, according to our respondents. Outcomes are listed in overall order of importance. Similarly, employment alternatives are listed in order of their overall "likelihood" of providing those requirements, with academic institutions and small businesses and professional firms emerging as our sample's "employers of choice."

According to the results outlined above, government faces considerable difficulty in competing for top college graduates. This difficulty is compounded by our respondents' belief that entry into the Federal service is complex and time consuming; 56 percent (over 64 percent of our female respondents) characterized the appointment process in this manner, while only about 30 percent overall stated that if they wanted a job with the Federal government, they would know how to go about getting one. Only public administration students expressed relative confidence in obtaining such a job. Overall, academic institutions were rated as the most difficult to enter, with the Federal service and state and local government seen as only slightly less difficult (the military was perceived to be the easiest to enter).

The public service thus seems to be doubly damned, both unattractive and impermeable to the best and brightest. This is confirmed by the fact that only a very few of our respondents have either sought or accepted government employ. 86 percent of our sample have never applied for entry into the Federal service, and over 92 percent have never had an employment interview with a Federal agency. Of the 403 respondents in our sample who have already accepted employment, only 16 have entered the Federal civil service, with 29 going to work for state and local governments and 2 entered military service; however, about half of those entering government service have an academic background in public administration or a related field. Almost 38 percent of those who have accepted employment now work for large private corporations, with 21 percent employed by academic institutions. The employment choices of this part of our sample group are portrayed in Figure 3.

Figure 3
Respondents' Organizational Choices
(n = 403)



Per Cent of Respondents Who Have Already Accepted Employment

RECOMMENDATIONS

As disturbing as these results may be, we have argued that they contain some cause for optimism. They suggest that the public service can compete for the best and brightest by emphasizing the intangible rewards that should be inherent in its work. Our sample of top college graduates does not believe that public service is likely to provide these intangibles, but this may be more myth than reality. As many of us know from first-hand experience, government service can be intrinsically rewarding—the potential exists in many, if not most government positions, and if the public service can "add value" to its jobs and its organizations in this regard, it *can* compete. We recommend four interrelated strategies for doing so:

First, leadership must set the stage. The inherent rewards of public service must be forcefully articulated and reinforced by our nation's political leaders and others who shape public opinion; their explicit acceptance of the civil service as an essential part of governance, and their portrayal of the civil servant as a respected actor in that process, can serve as a powerful magnet for the best and brightest.

Secondly, government must also establish human resource management policies that materially enhance the intrinsic value of its jobs and the quality of "working life" in its component organizations. Job enrichment and organization development techniques have been accepted in theory and proven in practice, and these should also become an explicit and integral part of public personnel policy. To date, they have not been.

Third, government service must also become less impermeable to potential applicants. The entry process must become more streamlined and understandable, with provision for "on the spot" appointment for talented candidates; in the Federal service, the Office of Personnel Management has made excellent progress in this area, with much of the impetus provided by civil rights litigation. At the same time, public organizations need to employ more sophisticated and flexible recruiting strategies, including a recruiting "bag of tools" that allows employment offers to be tailored to the needs of individual candidates. The relative attraction of women to government service, and their expected emergence as a powerful force in the labor market of the 1990s, would seem to underscore the advantages of tailoring terms and conditions of employment to the needs of particular labor market segments.

Finally, government must market itself as an employer, persuading the labor markets of the virtues and rewards of public service. This is not new: Dow Chemical ("Dow lets you do great things") and our armed forces ("A great place to start"), among others, have become very sophisticated in this regard. In many respects, our research resembles a market survey, and it offers a credible start towards such a marketing campaign by identifying what the best and brightest (and various segments thereof) want most in a job.

In summary, it is clear that a crisis exists. As it now stands, the public service cannot compete for top college graduates, for those graduates believe that it cannot provide the rewards that they value most. However, in large part, this view of public service is a fiction. Such service can be challenging and fulfilling; the opportunity to contribute to matters of public policy, even in some small way, can compensate for many things. If these intangibles are reflected in the reality of public service, government will be able to attract the best and brightest to its ranks.

INGRAHAM RESPONSE
TO
SENATOR PRYOR'S QUESTIONS FOR THE RECORD
JULY 8,1989

1. You seem to say that agencies are so diverse that no centralized method of recruitment will succeed. What exactly would OPM's role be in a system in which agencies were directly responsible for recruiting and hiring?

In a decentralized system, OPM would continue to play an important, but redefined role. First, it will be necessary for decentralization to proceed in the context of governmentwide objectives and standards. Many who observed decentralization activities under Schedule B, for example, noted that it was "abdication, not delegation". That must be avoided in the future. OPM very clearly must be the organization that takes the lead in developing and communicating the government objectives which shape decentralization.

Second, some system of effective monitoring must be established. This is not to suggest that every case --or even every agency-- should be continuously monitored and evaluated. Again to use Schedule B as an example, however, OPM had no monitoring capability whatsoever, nor did some of the agencies using the authority. OPM should have the ability to sample decentralization activities in a random way and at appropriate intervals. Further, one component of the governmentwide standards noted earlier should be a directive to agencies to do the same.

Finally, even in the presence of extensive decentralization, there is a need for a central information and referral source. That, too, should be OPM's responsibility. OPM should have the capability to direct students and other applicants to agencies whose interests match their own. Internship and apprentice programs could be centrally advertised. Of equal importance, OPM must take the lead in advertising the importance and the challenge of a federal

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career. Most agencies will not have the ability to develop slick advertising materials such as Career America, nor should they. It would be duplication of effort and a waste of money. In the absence of that agency capacity, however, OPM must take its responsibilities to sell the federal service very seriously.

2. What becomes of a national civil service in which merit and competition play key roles if the system moves to this kind of decentralized hiring system?

In my view, the term "national civil service" has been a misnomer for a number of years. In 1987, for example, over one third of those who entered the career service entered through excepted authorities. Their wages and salaries are determined by more than thirty different pay systems. It is fundamentally different to be a federal employee in Bismarck or Birmingham than in Manhattan. The concept of a national civil service has eroded further with the increase in special rate positions and with the exclusion of some entire agencies from central rules and procedures.

In my view, there does not have to be a highly centralized and tightly controlled "national" service to ensure merit and competition. Federal managers and recruiters have a stake in hiring good people. My own research indicates that when they are given greater flexibility they emphasize quality and representativeness, not cronyism. Governmentwide objectives should continue to emphasize merit and competitiveness in the federal public service. But complex rules and volumes of procedures will not guarantee those qualities. If decentralization is to be effective, individual agencies and managers must be charged with pursuing merit and competitiveness in their hiring activities and must be trusted to do so.

Again there is a key role for OPM. At the present time, there are dramatically different capabilities among the federal agencies with respect to

recruiting and hiring. The vast majority of experience with Schedule B hiring resides with only nine of the twenty one largest federal agencies. Many others did not hire enough to develop any strategy or strength. For decentralization to be effective and for merit and competitiveness to continue to be a part of the process, training and technical assistance for the unskilled agencies is going to be necessary. OPM should provide, or at least coordinate, that assistance.

3. I was interested in your account of the federal recruiter who was late, rude, and rushed. It sounds like one of my interns may have spoken to the same person. What type of training do these recruiters receive? Do you see any role for OPM in training agency recruiters to ensure some standardization across agency lines?

OPM reports that 53 percent of federal recruiters receive no training for that responsibility whatsoever. Further, 58 percent have no recruiting budget and 66 percent perform their recruiting activities only as a collateral duty. All of this suggests that the attention and training devoted to recruiting skills are extremely modest. The recruiter to whom you refer is an excellent example of an untrained representative. He operated under the wrong set of assumptions about the students he was "interviewing". He apparently thought that the only way to capture their attention was to talk about money. He was wrong and I could have told him that had he bothered to call before his visit to campus. His failure to describe the agency in any but the most superficial terms led the students to believe that he didn't know much about the agency he was representing. His lateness and his brusque manner created the impression of an organization that simply didn't care.

Should OPM play a role in remedying this situation? Yes. OPM action could

be constructive in several respects. First, it could support research about effective recruiting messages and techniques. Research conducted for the Volcker Commission, for example, found that among honor society college graduates, challenging work and the opportunity for personal growth were the two most desired job outcomes. Those of us who have been federal employees know that the public service offers these opportunities in abundance. But how is that best communicated to students and other potential applicants?

Similarly, OPM could provide great assistance by developing "model" training programs and by ensuring that all agencies have access to them. In the transition from the present situation to a more decentralized one, it may be necessary for OPM to conduct training to "level the playing field" for those agencies with little recruiting expertise.

4. The Merit Systems Protection Board found that Schedule B direct hire authority does not "ensure the same uniform degree of merit...that is mandatory for competitive service hiring." Do you have any recommendations on how OPM could combine the best of direct hire authority without giving up on the merit principles?

MSPB's concerns were apparently based on what they perceived to be failure to transfer central civil service procedures (i.e., rating and ranking, selection by the rule of three) to decentralized hiring and by the automatic and noncompetitive conversion to permanent career status of most Schedule B hires. These are two different issues. The first issue is partially related to my response to your earlier question about merit and competitiveness. Without any question, Schedule B hiring was a largely undirected and unmonitored activity Agencies were given few, if any, broad guidelines. Because there was no systematic monitoring we simply do not know for certain the procedures that the

agencies followed. My own research provides limited evidence, however, that agencies did pay attention to competitiveness, to quality, and to merit. They were clearly more successful in recruiting minorities and women. The agencies that I interviewed reported that their hires more closely matched agency specific needs than did hires under other authorities.

In this process, did the agencies closely adhere to the rule of three? Probably not. Did they rely on precisely the same rating and ranking systems? No, but they did rate and rank according to systems which they determined to be appropriate for their agencies. Decentralization implies greater flexibility and autonomy. It doesn't make sense to impose outdated central rules and regulations on a system intended to be more creative and innovative.

The second issue in MSPB's conclusion is that of noncompetitive conversion. This is a totally different issue from decentralized hiring, but it addresses the most fundamental questions that decision makers must address. Is Schedule B the correct authority under which to proceed with decentralized hiring? The Civil Service Reform Act of 1978 gave OPM substantial delegation authority, but it did so when PACE was still in place. To my knowledge, the question of alternative authorities has not been systematically addressed. Schedule B was used because it was there, not because it was the best solution to the problem. That basic issue needs to be addressed and, with it, the problem of conversion. That is a major charge for OPM.

Finally, I would restate my earlier point that all decentralization activities must proceed only within the context of clearly communicated governmentwide objectives which continue to emphasize merit and competitiveness. I am fairly confident that, as we face the recruiting challenges of the future, both of these terms will undergo some redefinition. As early as 1968, Frederick Mosher had noted correctly that the federal personnel system operated with

several different merit systems. That number has expanded, though informally, as more activities and positions spun off from central control. Yet most observers continue to speak of the "merit system" as if it were a coherent and unified entity. A new definition which emphasizes individual accountability and commitment, rather than central rules and controls, is in order.

5. There has been a lot of emphasis on campus recruiting and I encourage that effort. However, with the thousands of colleges and universities across the country, how can we be assured every student will have access to the same information? If so much attention is paid to campus recruiting, what happens to the person who walks in off the street to ask OPM or an agency about job information? Will the student on campus have better access to the direct hire program? Won't the person in from the street have to take a test and wait on a register?

Uniformity of access would be difficult and expensive to achieve and may well not be worth either the effort or the cost. Again, however, a partnership between OPM and the agencies could create uniform information dissemination, with job and skill specific followup for those students who have the interest and/or the skills. The Career America materials should be in the placement office in every college and university, as should clear and current follow up information. That, it seems to me, is OPM's responsibility. In the interest of economy and efficiency, however, most agencies will undoubtedly target those colleges and universities in their general geographic area with strength in educating students for the occupations most critical to the agency. That kind of targetted recruiting will not be uniform.

Further, campus recruiting must be only one part of a federal recruiting strategy. Demographic projections for the year 2000 and beyond leave little

doubt that recent college graduates will be an increasingly small part of the labor pool. Though the federal government must do all that it can to remain competitive in that highly skilled group, it cannot ignore other means of recruiting. The Office of Personnel Management has begun to experiment effectively with Job Fairs and other large scale outreach efforts. There are whole groups of the population, such as early retirees, who may be potential candidates that must be reached in other ways. Certainly, the ability to hire good candidates who walk in off the street must be developed and maintained (even if they are not wearing a pink shirt). Such candidates should be treated exactly as are the students recruited on campus, using simple direct hire mechanisms whenever possible. The concept of having a strategy is key; no single method is going to solve the recruiting problems of the future.

Although it does not directly speak to your question, I would also like to note that much more effective workforce planning must underpin these recruiting efforts. OPM efforts in workforce planning have been minimal, but this, too, is an area in which it could provide valuable support and assistance to the various agencies.

6. The Volcker Commission recommended a flexible "bag of tools" to allow recruiters to entice applicants. That could mean that two people hired on the same day with roughly the same qualifications could bargain with the personnel office and strike two different deals. While I am well aware that this is how the private sector operates, what effect will this have on the concept of a national civil service?

As I noted earlier, if we are to have a high quality and effective public service for the future and if we are to compete effectively in a tight labor market, it will probably not be possible to have rigidly standardized

procedures. That suggests that we will also have different outcomes. But again, the concept of a national civil service is a little misleading. The remarkable diversity in personnel laws and regulations, in methods of entry, in pay systems, in exceptions to existing rules and regulations, and in enforcement of and adherence to the current mind boggling system is a "national civil service" only in the loosest sense of the term. To acknowledge that implies no lessening of commitment to merit principles such as equal access or fair and open competition. It only implies thinking about them in different ways.

It will be very important --in fact, critical --that the recruiters utilizing this discretionary authority be carefully selected, well informed and well trained. There will be opportunity for abuse; this is not a system for those who are ill equipped. High standards of professionalism and individual accountability will necessarily replace many legal and procedural constraints. Such high standards, it seems to me, are better and more appropriate hallmarks of a national service than pile after pile of rules and regulations.

STATEMENT OF PAUL T. WEISS

ASSOCIATE ADMINISTRATOR FOR ADMINISTRATION

OFFICE OF ADMINISTRATION, GSA

BEFORE THE

SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE, AND CIVIL SERVICE

Good morning, Mr. Chairman and Members of the Subcommittee. The General Services Administration (GSA) appreciates the opportunity to testify on issues related to the college recruitment program. Accompanying me today is Sally Kraus Marshall, Director of Personnel for the General Services Administration.

By way of background, I believe it would be helpful to place our recruitment program within the overall context of the recent evolution of GSA as a central management agency. Over the past several years, GSA has been undergoing dramatic restructuring. During my tenure of almost four years with the agency, because of the streamlining of GSA operations, total paid employment decreased by over 23 percent from 1985 through April 1989 (from 25,785 employees in September of 1985 to 19,725 as of April 1989). In fact, since 1980, GSA's staff has been reduced by over 44 percent. Much of GSA's management attention has focused on implementing changes and minimizing the impact on our employees, redefining GSA's mission and redirecting the agency's way of doing business.

Much of the work such as cleaning, maintenance, repair, and operations, was automated, contracted out, or delegated to other agencies. Little college recruiting was done during the early through mid-80's because of staffing reductions and reassignments. However, the need for college-level skills not only remained, but because our employee skills mix was changing, actually increased. Instead of employing great numbers of blue collar workers, we have largely evolved into smaller organizations of professionals who are procurement and technical experts in supply, real estate, information and administrative management. Procurement and technical professions require the kind of people that a college recruitment program is designed to attract.

We believe the General Services Administration has been very successful with its college recruitment program. Since reinstituting recruitment on college campuses in January 1987, we have hired more than 750 graduates into entry level positions at the GS-5 and GS-7 level. We have accomplished this during a period when some felt that government could not hire quality graduates. During the past fiscal year the average grade point average of our recruits was 3.2. Many of GSA's occupations are in business related fields. Forty-three percent of our recruits possess business and business-related majors. Minorities represented approximately 25 percent of our total new hires (as compared to 16 percent in fiscal year 1987). Let me tell you how we managed these accomplishments.

First, GSA's top management was and is committed to a successful college recruitment program. Recent GSA Administrators realized that after years of reductions in force, realignments, and reorganizations there was very little new talent coming into the agency. Our managers received the clear message that we must begin to revitalize the agency by recruiting on college campuses. Our senior managers began to visit college campuses; a number of them went back to their alma maters to recruit. In some cases we were the first Federal recruiters to come to these campuses in years.

Second, prior to visiting campuses to recruit, we decided that we would use a team approach which we have found to be very successful. A representative of the personnel office accompanies a program manager on recruitment visits. The program managers can specifically describe the position to be filled, as well as the organization's mission and function, while the personnel specialist can address the Federal employment process.

Third, we developed a first class recruiting brochure to tell the GSA story. Our brochure incorporates our annual report, including a summary of GSA mission, goals, and accomplishments, and a financial statement. Supplemental job applicant information is also included. We have received a number of favorable comments on the quality of our brochure from applicants, our managers, placement directors and other Federal agencies.

Fourth, in order to effectively communicate to graduating students that GSA is recruiting on college campuses, we advertised in a number of publications geared to college students and graduates. Our first ad was placed in Business Week Careers magazine. We received over 2,000 inquiries from this ad alone. Since then we have advertised in The Wall Street Journal college edition, Black Collegiate magazine, and are planning ads for Hispanic magazine and the College Placement Annual. We do this to publicize to the targeted job market the fine career opportunities GSA offers.

Fifth, in addition to our college recruitment program, we also have a college relations program which markets the General Services Administration as an employer. Since the inception of our college recruitment effort, we have made more than 300 visits to college and university campuses nationwide, attended numerous job fairs, and held a workshop for about 50 college and university placement directors to inform them of GSA's mission, employment opportunities, and employment process. We have also attended and participated in the Southeastern Federal Recruitment Council Conference, College Placement Council Conference, and recruitment conferences sponsored by OPM. In many of these activities we enlist our employees who are alumni from the colleges or universities to represent the agency. We find that alumni are very influential in recruiting from their schools.

Our purpose in attending these conferences is to market GSA's employment opportunities. Our college relations program also targeted 15 Historically Black Colleges and Universities (HBCU) to make them aware of GSA's employment opportunities.
Sixth, we also monitor and report our college recruitment accomplishments within GSA. Each major organization reports on a quarterly basis the total number of hires, broken out by numbers and percentage of minorities, grade point average, major and type of degree. This information is always accessible through the agency's management information system to the Administrator and other key officials.

Finally, we believe our career development opportunities, coupled with a certification program identifying specific training and work opportunities required at the various performance levels, offers not only career growth and training, but guides employees along their chosen career paths. This year, we also will be initiating a formal program to provide a residential orientation program on the agency's mission and functions as well as personal communications skills to all our career interns. In addition to technical training, our supervisors are offered opportunities to improve their coaching and mentoring skills. This will benefit new employees in adjusting to the agency and the supervisor to adjust to the new recruits.

College recruitment requires commitment and resources, including staff time, advertising, development and printing of recruitment literature, orientation and developmental programs. We have felt that the investment is worth it because the demographics of both the agency and the country show that we will be losing our professional work force to retirement at the same time that fewer and fewer college graduates will be entering the work force. We feel that the long term health and stability of the agency requires an aggressive college recruitment program.

My personal experience with a visit to a college campus last year convinced me that a spirit of public service does indeed exist among our college students. Although the Federal government is at a significant disadvantage in its ability to offer new college hires salary and benefits competitive with the majority of private industry, the one advantage we do have is the ability to satisfy the desire of many of our young people to enter public service. But we must couple that offer with the prospect of challenging, meaningful assignments. Every student I talked to was impressed with, and inspired by, the strong potential within government service to really make a difference - whether it be in the analytical fields essential to the development of national public policy or in the Federal government's operational areas so critical to the well being of our country and its citizens. Very few private sector organizations can offer that kind of career challenge - no matter what the salary or benefits level.

In summary, I would say that the government can compete with industry for quality college graduates. However, this belief is contingent on a number of factors. We must have a commitment from the agency leadership, must train our recruiters, screen our representatives (sending only our best to the campuses), and be prepared to receive, challenge, and make welcome our new hires.

Recently we were told by a college placement director that it's good to see the government recruiting again on college campuses because we can compete with private industry.

Although the Federal college recruitment program has come a long way over the past few years, as I earlier alluded to, some improvements need to be made in the salary structure, in application procedures, and in regulatory flexibilities.

Compared to starting salaries for college graduates in the private sector, Federal salaries are generally lower. In the U.S. News and World Report dated January 30, 1989, estimated starting salaries with the private sector were quoted for 1988-1989 college graduates holding a bachelor's degree. Some of the estimates for various majors were: Electrical Engineering $31,010; Computer Science $29,778; Business Administration $22,346; and Liberal Arts $19,088. The Federal government generally cannot compete with these salaries.

In order to be more competitive, GSA has been using some existing authorities to hire above the traditional GS-5 entry level rate. GSA has hired outstanding scholars as GS-7's ($19,493) in Professional Administrative Careers (PAC) jobs. Engineers usually enter as GS-5's ($20,463) using the special salary rate authority. However, many students do not qualify for the GS-7 and would have to start at even lower rates as GS-5's ($15,738).

Presently, a Federal service career is not the first vocation to enter into the mind of most of today's college graduates. Placement officers and applicants are often confused and frustrated by the application process. Under Schedule B authority, each agency follows its own internal procedures.

Applicants interested in Federal jobs find out about openings on a "hit or miss" basis and then must apply separately to each agency.

We anticipate that OPM's new proposed testing program will help this situation, if the information on the program is clear and readily available to placement offices and applicants. There also should be a central location where applicants can get information about jobs in the Federal service. A central list of vacancies in various agencies would be useful so that personnelists can refer candidates they cannot use to other agencies.

The Application for Federal Employment, SF-171, is an intimidating and time-consuming document for applicants to complete. In addition, applicants for Schedule B vacancies must complete supplemental forms and provide transcripts. Our last Schedule B announcement contained four pages of information on how to apply, rating and ranking of applications, criteria for Superior Academic Achievement and Outstanding Scholar, etc. The result of this complicated application procedure is that we spend a good deal of our campus interviewing time just telling candidates how to apply. After completing this lengthy application process, many candidates were not within reach on registers or were never even interviewed.

We strongly urge the development of a shorter, simpler SF-171 for college recruiting.

The Office of Personnel Management should be complimented for the progress they have made over the last few years. Their Career America recruitment materials are excellent and very competitive. They also have provided us with resources for advertising and development of training related to recruitment. The soon to be released Federal Directory will be a great asset to our recruiters and college placement directors. OPM also has provided us with support in our workshops on government employment. We look forward to OPM's continued support.

Mr. Chairman, I would like to thank you for the opportunity to discuss GSA's college recruitment program. We are proud of our accomplishments and would be pleased to respond to any questions you or the other subcommittee members may have.

Questions for the Record
Mr. Paul Weiss
Associate Administrator, GSA

1. Does the money for the College Recruitment Program come out of your Salaries and Expense Budget? How much money does GSA spend on the college recruitment program each year, and what percentage is that of your S&E budget?

ANSWER (approximates):

SALARY (Regional Recruiters)	$62,000
TRAVEL	$30,000
PROGRAM MANAGER SALARY	$46,000
ADVERTISING	$15,000
BROCHURES AND MISC. MATERIALS	$15,000
TOTAL RECRUITMENT BUDGET	$168,000
TOTAL S&E BUDGET	$730,646.000
PERCENT OF S&E BUDGET	.0023

2. OPM's new recruiting brochure, Career America, cost $150,000 to develop. You mentioned in your statement that GSA has excellent recruiting materials. Who prepared GSA's brochure, and how much did it cost?

ANSWER: The development of GSA's college recruitment brochure was a collaborative effort between the college recruitment, public affairs and graphics offices. The brochure and special jacket cost approximately $12,000. Since our annual report is also part of our recruitment brochure, development costs were not charged to the recruitment program.

3. Your testimony states that since January 1987, GSA has hired more than 750 graduates at the GS-5 and GS-7 level. How many colleges have you visited, and how have you selected the colleges?

OPM informed me in a letter dated June 2 that it does not have data on how many agencies recruited on college campuses in the 1988-89 school year or the locations and success rates of their recruiting efforts. Can you tell us what other Federal agencies are recruiting on college campuses?

ANSWER: Approximately 305 colleges and universities were visited during the past two years of the college recruitment program.

Prior to the beginning of the college recruitment year (September) central and regional office recruitment teams developed schedules of schools to visit. The following factors are used in selecting schools:

- Degree disciplines (i.e., Engineering, Business Administration, Computer Sciences, etc.).

- Invitations received from college placement offices.

- Recommendations from management officials.

- Minority targeted recruitment (i.e., Historically Black Colleges and Universities, institutions with a wide cross section of minority groups such as Hispanics, American Indians, etc.).

We have no information on the participation by other federal agencies in recruiting on college campuses.

4. If a young job seeker visits GSA requesting federal job information, what type of information does he receive? Who would he likely talk to first.

ANSWER: Students who visit or write GSA are routinely provided with a variety of information on agency career opportunities. We also provide them with information on Federal Student Employment Programs (i.e., Cooperative Education, Presidential Management Intern Program, Federal Junior Fellowship Program, etc.) when this information is requested.

Students who visit the headquarters employment office for example are referred directly to the agency's college recruitment representative where a one-on-one exchange of information takes place. OPM's "Career America" material is used as a companion piece with agency specific materials to explain how the total employment system works. Many of our regional recruiters are involved in assisting college placement offices in explaining agency occupational needs, Federal application and employment procedures. Students are also encouraged to set up appointments

with personnel specialists to discuss career goals and the employment process.

Although more work can be done in this area, we feel that our program of informing students of Federal career opportunities is off to a good start.

5. Apparently, GSA has done a good job in developing a comprehensive college recruiting program which has enabled you to hire college graduates. Do you see a need to focus your attention on other areas of recruitment?

ANSWER: Attracting qualified clerical personnel and directing more energy toward recruitment of high technology professionals will be the focus of our future recruiting efforts.

6. Your statement mentioned that GSA's staff has decreased by 44% over the past nine years. You then go on to say that this reduction has come from contracting out and by transferring tasks to other agencies. How much, if any, money has been saved by this re-arrangement? (Please provide documentation.)

ANSWER: Reductions in average or full-time equivalent (FTE) employment over the past nine years have resulted in dollar cost avoidance of over $307 million. The following table summarizes FTE changes and the related financial impact.

35,293	FY 1980 actual total FTE
19,455	FY 1989 budgeted total FTE
15,838	Total FTE reduced (44.9%)
- 6,232	Less transfers and delegations to other agencies
9,606	Net FTE eliminations
(6,740)	(From agency actions: $253.3 million)
(2,866)	(From contracting out: $53.8 million)

Over the period, GSA took a number of actions to reorganize, consolidate, and streamline its operations that resulted in a decrease of 6,740 FTE and a cost avoidance of $253.3 million. The dollar figure is a straight-forward calculation of the additional funding for personnel compensation and benefits that would be required in fiscal year 1989 to support an additional 6,740 FTE at current rates.

In addition, 2,866 positions were also eliminated between 1983 and 1989 by contracting out functions previously performed in-house. The cost of these functions, as documented through the Office of Management and Budget (OMB) Circular A-76 process, will be $53.8 million less when performed by the private sector.

Although the above cost avoidances have been calculated, their budgetary effects have been quite real. They have enabled GSA to finance a number of initiatives and capital requirements that would not have been otherwise possible. They have also mitigated the effects of having absorb the impact or pay raises: GSA has not received any added supplemental funding for enacted pay raises since fiscal year 1982.

D E P A R T M E N T O F T H E A I R F O R C E

PRESENTATION TO

SENATE GOVERNMENTAL AFFAIRS COMMITTEE
SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE, AND CIVIL SERVICE
UNITED STATES SENATE

SUBJECT: RECRUITING FOR GOVERNMENT SERVICE

STATEMENT OF: MR. P. L. SCHITTULLI
DIRECTOR OF CIVILIAN PERSONNEL
UNITED STATES AIR FORCE

JUNE 19, 1989

NOT FOR PUBLICATION UNTIL RELEASED
BY THE SENATE GOVERNMENTAL AFFAIRS COMMITTEE
UNITED STATES SENATE

Mr. Chairman and members of the Subcommittee, it is a privilege to appear before you today to address civilian recruitment strategies and initiatives in the U.S. Air Force. We appreciate your invitation to participate in this hearing.

A new, and we believe constructive, world is emerging in the public service. The elimination of the Professional, Administrative, Clerical Examination (PACE) in 1980 forced agencies to become more responsive and innovative in their recruitment practices. The enactment of the Federal Employees' Retirement System (FERS) in 1983 opened up the civil service to a more competitive era. For 100 years, federal recruitment policies were built on a basic assumption: a surplus of job candidates. As a result of that surplus of candidates, government tried to ensure that favoritism did not enter into employment decisions. To do that, a formidable array of barriers to favoritism were built into the federal employment system. Our "merit system" was erected on the assumption of a labor surplus. But population changes are moving us away from that assumption. We must now develop a merit system that allows us to compete in local and national labor markets for all skills.

No longer can the government wait passively for job applicants or until a job becomes vacant. We must compete. We must be proactive. We must be market-oriented. And we are hopeful. A passage from the summary of a research project sponsored by the National Committee on the Public Service, entitled "The 'Best and Brightest': Can the Public Service Compete?" states:

"As it now stands, the public service cannot compete for top college graduates, for those graduates believe that it cannot provide the rewards that they value most. However, in large part, this view of public service is a fiction. Such service can be challenging and fulfilling; the opportunity to contribute to matters of public policy, even in some small way, can compensate for many th ngs. If these intangibles are reflected in the reality of public service, government will be able to attract the best and brightest to its ranks."

How we market ourselves and what tools we have to accomplish that task are critical. However, we believe that any successful human resource effort must be keyed to a strategic human resource plan. We have developed such a strategic plan which establishes our general operating philosophy and major work force planning and policy objectives.

As a result of that plan, we have changed the way we do business in Air Force. We established Career Management Programs run by top Air Force managers to meet the needs of their particular functional area (such as engineering, acquisition, logistics, financial planning and personnel). Employees compete Air Force-wide in these 18 Career Management Programs for developmental and managerial positions, with an emphasis on mobility. We also established a centralized college recruiting program for entry level Career Program interns, known as PALACE ACQUIRE. Air Force invests some $25 million a year in this program. It is considered by our senior leadership to be as critical to the Department as is the Air Force Academy and ROTC.

The Air Force hires well over 1,000 college graduates each year. Over 40% of the college level recruiting is done centrally for our PALACE ACQUIRE Intern Program. Most of our remaining college level recruiting is done by two commands: Air Force Logistics Command and Air Force Systems Command which together employ some 110,000 civilians.

In PALACE ACQUIRE, our Career Programs people target specific schools based on our projected staffing needs and the kinds of degrees offered by the schools. Career planning and placement offices at those schools are sent our recruiting materials well in advance and we work hard to maintain a relationship with them throughout the year. We sometimes place ads in local publications. For the most part, interviews are conducted by top level Air Force civilian managers, who are in the best position to evaluate candidates and to sell Air Force and their career fields. PALACE ACQUIRE interns are not required to fill out the SF-171 application for federal employment. Instead, with OPM's permission, we accept resumes and "translate" them into the proper format for candidates after they are hired. Job offers may be made by line managers the day after interviews to top candidates. We offer jobs to the next best group of candidates in two to four weeks. We give all selectees two weeks to accept or decline. Extensions are possible.

Mr. Chairman, these efforts can pay off in terms of quality hiring. Last year, the average GPA for PALACE ACQUIRE interns was approximately 3.2. Despite these efforts, we are encountering problems.

Our applicant pool is shrinking. We are having to target more and more colleges in order to achieve our intake objectives. In addition, our normal "offer declination" rate of 50 percent has risen to 56 percent in 1989. This compares to a 25% declination rate (based on second interviews) in the private sector. We also survey those who decline jobs offers. In fiscal year 1989, 34 percent of those declining job offers cited low salary, and many specified the lack of advance pay, as a factor in their decisions. Some cited our inability to help with the expense of relocating to the first duty station as a factor in their declination. Obviously, these numbers do not count those potential candidates who don't even visit our recruiters.

The problems become more acute in specific career fields. Currently, the biggest impediment in our ability to hire quality engineers in the Air Force is the rate of salary at the GS-5 and GS-7 levels. For many years, the special salary rates for these positions have been at the 30 percent maximum and industry continues to widen the entry pay level gap. In the past, we have been able to sell students on subsequent promotions to "catch up" with private industry, but this only goes so far. The GS-5 pay for engineers is $20,463 meaning that we have great difficulty in getting quality hires with industry paying $30,000 on the average.

Over the coming months, we need to examine possible actions that would enable us to maintain competitiveness, such as locality pay differentials, expansion of the special rate range beyond the 30 percent, and hiring above the normal entry level of step one.

Our recruitment efforts are also geographically-sensitive. We are most successful in recruiting from schools in mid-America. However, on the east and west coasts, we are not competitive. At Hanscom Air Force Base's Electronics System Division (one of our major R & D laboratories) in Boston this year, we could not hire any computer specialists, contract specialists, and only 10 engineers. There are a number of th ngs that could be done to offset some of this problem, among them a first duty station allowance and advancement of pay.

More effective marketing, a more streamlined appointment process, and more recruitment "tools" will help to make us more competitive.

The Office of Personnel Management can help pave the way for more effective agency recruiting and we applaud their efforts to professionalize recruiting materials. The "Career America" materials developed by OPM reflect a turning point in how federal civilian employment is marketed. We sell value and our recruiting materials should reflect the highest quality production. With respect to marketing, we could also take a lesson from the military services. They faced similar problems in the 1970s and turned their image around through more sophisticated marketing techniques, including television advertising and direct mailing to potential recruits.

Technology can increase our marketing power as well. In this regard, Hill Air Force Base in Utah has developed a new job information center. This system involves a touch-sensitive screen and programs that speak to virtually every level of career interest, from those with no career focus and no knowledge of the federal employment system to those who are ready to search for a specific position. We hope to have this system installed in key locations around the country by the end of this year.

We also applaud OPM's efforts to streamline the appointment process. We appreciate the fact that the OPM proposal to replace the PACE examination will permit agencies to continue to recruit from college campuses (for those individuals with at least a 3.0 GPA - which would restrict some current hiring flexibility) or to select individuals from an OPM list who have taken the proposed OPM test. As mentioned earlier, OPM has approved our use of career resumes rather than the SF-171 in recruiting interns. In addition, OPM has been receptive when we have asked them to delegate direct hire authority to us in certain areas.

We cannot wait for pay to improve in order to become more competitive in recruitment and retention. We believe that there are incremental improvements that should be considered. If the Administration's proposed degree payment program were enacted, this would be one more useful recruitment and retention tool. Under current law, Federal agencies are barred from paying for training the sole purpose of which is to permit an employee to obtain an academic degree. However, the current bar to degree training can be a disadvantage to the Government in competing in the marketplace for skills critical to Federal agency missions.

Many private employers offer full payment of degree training to help recruit key skills in increasingly tight labor markets.

These proposals are examples of what the Volcker Report calls the "flexible bag of tools" that can provide a competitive edge to us. What many of these proposals have in common is that they are incremental, flexible, and and do not call for additional appropriations. Tools such as the degree payment legislation will help us to become more competitive at the margin, where competition often occurs.

Recruitment is a major challenge to federal agencies. We are constantly learning. There is more that we can and should do. We welcome the Subcommittee's interest and attention. We believe that the 1990s can be a growth market for government in quality employees if we have the tools and flexibility to compete.

Questions Submitted for the Record
Senator Pryor
Department of the Air Force
Mr. Pat Schittulli
Director of Civilian Personnel

1. How many employees are assigned to the Air Force college recruitment program? What type of training do your recruiters receive? Do your coordinate with OPM on the training you provide?

2. You made the statement that the government must develop a merit system that will work in a shrinking labor market. Does that mean looking at a person's skill and education and overall competition is no longer the best recruitment strategy?

3. The Air Force seems to focus heavily on campus recruiting. How exactly are the colleges chosen? Are you concerned that other students who might have an interest in the federal government are not being reached through the campus recruitment programs?

   What type of information does a recent college graduate get is he walks into one of your personnel offices? Is he eligible for the Air Force direct hire authority if he is not on the campus?

4. Are you satisfied with the current relationship between OPM and the agencies? Are there any changes necessary to make recruiting more uniform and more efficient?

RESPONSES TO QUESTIONS SUBMITTED BY SENATOR PRYOR

INTRODUCTION: Recruiting within the Air Force is largely decentralized. We hire over 1,000 college graduates each year. Forty (40) percent of this recruiting is done centrally for our PALACE ACQUIRE Intern Program. Most of our remaining college level recruiting is done within two commands: Air Force Logistics Command and Air Force Systems Command which together employ some 110,000 civilians. A few bases belonging to other commands have sufficient college level recruitment needs to have their own programs.

1. Our centralized recruiting program for PALACE ACQUIRE interns has nine full time recruiters. This group is also supplemented by functional managers involved in the selection of candidates. These managers are trained by our own recruiters. The training focuses on the PALACE ACQUIRE program needs, specific needs of each career management program, interviewing techniques, appearance and conduct, etc. Some Air Force recruiters have received training from OPM. We have not coordinated our training efforts with OPM.

2. We in no way advocate doing away with the merit system. We cannot afford to since it's imperative that the Federal government attract and retain its fair share of the best and brightest of our nation's youth. We do advocate a merit system that is responsive to the declining and thus more competitive labor market. For example, we believe the direct hire authorities for outstanding scholar graduates and engineers are needed flexibilities that can be accomplished within existing merit guidelines. We believe the other initiatives discussed in our formal statement comply with existing merit principles and do not reflect any attempt to circumvent them.

3. Several considerations are taken into account when deciding which schools to visit. A primary concern is the strength of the academic program for the positions we are filling. Other considerations include schools with good minority representation, location, and past success in obtaining quality students.

We are concerned that every student who wishes to work for the Federal government has such an opportunity. Our campus recruiting program cannot visit every school. Under the new examining system proposed by OPM, those students who do not come into contact with a Federal recruiter will still have an opportunity for employment; either through the direct hire program or by taking the appropriate test and being certified from the OPM register.

Many of our civilian personnel offices utilize the OPM Career America material. Others, such as our office responsible for the PALACE ACQUIRE intern recruiting, have developed their own brochures. Any graduate, who is eligible for any direct hire appointing authority that the Air Force may have, such as Outstanding Scholars, engineers, or accountants could be hired by any personnel office. They would not have to be visited on a college campus.

4. OPM has been very responsive to the concerns of agency managers and has made considerable progress in delegating authority to agency managers so that the personnel process can become more effective and responsive to local needs. As we indicated in our formal statement, we need a more flexible bag of recruitment tools to remain competitive, such as legislation to permit managers to pay for degree programs, to pay interview expenses, to advance pay, to provide a first duty station allowance, to hire above the normal entry level of step one,f and to expand the special rates range.

NTEU

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STATEMENT OF
ROBERT M. TOBIAS
NATIONAL PRESIDENT
ON
OPM HIRING PLAN

BEFORE
THE COMMITTEE ON GOVERNMENTAL AFFAIRS
SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE, AND CIVIL SERVICE

THE HONORABLE DAVID PRYOR
CHAIR

U.S. SENATE
WASHINGTON, D.C.
JUNE 19, 1989

I am Robert M. Tobias, National President, of the National Treasury Employees Union (NTEU). NTEU is the exclusive bargaining representative of 144,000 employees working in the various agencies of the federal government.

On behalf of the members and officers of NTEU, I would like to express appreciation for this opportunity to comment on the OPM hiring plan announced in June 1988.

The method of selection for employment is the critical distinguishing characteristic between a civil service system and a patronage system. Hiring based solely on ability to serve the public interest as opposed to personal, partisan or political interests defines the very nature of the civil service. In determining the method of selection, we are deciding which system we shall have--public service or partisan service--in the federal service.

The debate on this question should be well-settled. Since the passage of the Pendleton Act in 1883, the federal service has been committed as a matter of law and public policy to the selection of employees based on relative ability.

Under current law, Merit System Principle 1 unequivocally states the basis for the selection of federal employees:

> "Recruitment should be from qualified individuals from appropriate sources in an endeavor to achieve a work force from all segments of society, and selection and advancement should be determined solely on the basis of relative ability, knowledge, and skills, after fair and open competition which assures that all receive equal opportunity."

Jobs in the federal service are not to be the currency in the exchange of partisan politics. The federal service is not the property or the exclusive domain of a particular branch of government, administration, elected official, political appointee, or individual manager. Selection of employees is not a matter of unrestricted management prerogative or discretion; rather, it is a matter of public interest to be accomplished in accordance with the requirements of law and public policy.

The growing inability of the federal service to recruit and retain employees at all levels does not stem from the principles embodied in the merit system. It is the gradual but consistent debasement of those principles, and the resulting denigration of public service that have rendered the federal service incapable of replenishing its work force with qualified and committed employees.

The reasons for the current difficulty in recruiting college graduates for entry-level federal jobs are easy to ascertain. Real wages in the federal sector have declined 25% since 1971.

The gap between federal and private wages has grown to 26% since 1978. Federal health benefits are substandard and employee premium costs are prohibitively expensive. The federal work place is dirty, dangerous, and a threat to employee health.

Federal employees are required to sacrifice constitutional rights that they are sworn to uphold for their fellow citizens.

And to add insult to injury, federal employees are belittled and berated from the media to the political campaign stump. One need not search very far to find the reasons for the reluctance of young people to make a career of the federal service.

If we are to transform federal employment from an exercise in career martyrdom to a viable career option worthy of serious consideration by new entrants into the work force, we must also renew and maintain the commitment to the essential value of public service--hiring based on fair and open competition with equal opportunity for all applicants drawn from all segments of our society.

For the past twenty years, however, we have witnessed an unrelenting assault on the concept of a public service selected on the basis of competence and insulated from the demands of partisan administration. The value of a professional, career civil service has been subordinated to the inexorable desire for political control and direction of the federal service. Loyalty to the law has been supplanted with loyalty to a political administration as the measure of the system's performance.

During the Nixon Administration, a White House aide put succinctly what seems to have become the guiding light of subsequent civil service "reforms:"

> "You cannot hope to achieve policy, program or management control until you have achieved political control. That is the difference between ruling and reigning."

The Nixon clique proceeded with a vengeance in its attempt to manipulate federal agencies to reward or punish according to political predilection. The vileness of the Nixon program of political control was revealed in a directive to identify and limit the number of Jews working in a particular federal agency.

The Nixon political reward and punishment program was thwarted, in large measure, only by the existence of a career civil service selected and retained based on competitive procedures.

The lessons of that era were apparently lost on the Carter Administration. The Civil Service Reform Act of 1978 dismantled the independent bipartisan Civil Service Commission, centralized all personnel authority under a political appointee, and made it easier to fire federal employees.

These reforms became weapons in the hands of the Reagan Administration as it instituted its own program to make the career service more politically responsive. Reductions-in-force, transfers and removals of career officials, increases in the number of political appointees, political "hit lists", and the use of performance appraisals to enforce ideological purity were all part the Reagan Administration's opening gambit to establish political control of the civil service.

The drive to assert partisan control of the civil service has, as its natural consequence, led to the denigration of public service. If the public service is manipulated to serve the transitory partisan interests of each successive political administration, then the public will have little interest in supporting adequate salaries or decent working conditions for employees in the federal service. If partisanship or personal favoritism are the standards of the system, then qualified and committed employees will seek careers outside the public service. If hiring is not based on fair and open competition with equal opportunity, the skilled and able will not bother even to apply.

Merit principles in the selection of federal employees establish the basic external and internal credibility of the public service. Non-discriminatory merit selection insures the public interest in a public service that will genuinely serve the public, and operate in the interest of the public. Non-discriminatory merit selection assures federal employees of elementary fairness in hiring and promotion decisions. An effective public service cannot be achieved or maintained without non-discriminatory merit selection because neither federal employees nor the public they serve will be party to anything less.

We are now confronted with yet another reform proposal. A reform that seeks not to change the law mandating merit selection, but simply proposes to ignore it. As with most of the reforms of the past twenty years, the OPM hiring plan wears the same false face of promised increased flexibility, efficiency, and the ability to attract the best and the brightest to the federal service. Beneath the mask, however, lurks the reality of the unlimited potential for hiring based on patronage, personal favoritism, and nepotism. It is a subterfuge for OPM's on-going failure to adequately address, much less resolve, the issue of establishing valid selection procedures.

For seven years, OPM has evaded and delayed meeting its legal obligation to provide for the competitive service. Rather than develop non-discriminatory competitive selection procedures, OPM choose to arbitrarily remove the majority of the 118 federal occupations formerly covered by the Professional and Administrative Career Examination (PACE) from the competitive service.

Entrants into these occupations were hired without competitive examination, and placed in the excepted service without the protections and promotional opportunities afforded other federal employees.

NTEU took legal action in 1986 to force OPM to fulfill its responsibility for providing competitive examinations, and to provide relief for those employees placed in a substandard status. The U.S. District Court for the District of Columbia, in 1987, concurred with NTEU's position. OPM, however, sought further delay through continued litigation.

OPM's delaying action was taken despite its own recognition as early as 1982 that it would not "be selecting (employees) by the best merit hiring procedures," and that "merit selection was wounded" through its non-competitive hiring program. Further, five years later, the Merit Systems Protection Board warned that continued non-competitive hiring for those positions previously in the competitive service was not "consistent with Merit System Principle 1."

The new OPM hiring plan is nothing more than a continued diversion and evasion of merit principles that invites legal action. While OPM conceded that it "wounded" merit selection in 1982, its new proposal is a death warrant for the merit system.

The salient feature of the OPM plan is not its supposed focus on recruiting bright college graduates. It is not the plan's purported testing of character as well as ability, or its self-described "slick" promotional literature. These are a glossy coat of paint on a rotted structure.

The salient feature of the plan is the virtually unrestricted agency discretion to select and hire without regard to the legal and public policy requirement of fair and open competition based on relative ability. The centerpiece of the OPM plan is the direct, on-the-spot hiring of any college graduate who has a minimum grade-point-average (GPA) of 3.0 or 3.25.

In its June 1988 announcement, OPM declared that federal agencies "will now be able to pursue high quality candidates aggressively, and with something concrete to offer--a job offer, on the spot." Selection, according to OPM, can now be based on "the more intangible aspects of human character that can only be measured by human contact."

There is no requirement that potentially interested applicants be notified of job openings or interview schedules.

There is no requirement that all interested applicants be interviewed.

There is no requirement that a even a minimum number of applicants be interviewed.

There is no criteria for assessing or rating the relative ability of the applicants.

There is no requirement for the ranking of the applicants or for the selection from among the highest ranked.

There is no provision for veterans preference.

In sum, there is no fair and open competition based on relative abilities with an equal opportunity for all. There is no attempt to meet even the minimal requirements of the law for either merit selection or veterans preference.

From a pool growing at an estimated rate of 300,000 college students graduating each year with a 3.0 or above GPA, agency officials can recruit and hire on any basis that serves their political or personal interests. Recruitment for a specific job could be limited to the Alma Mater of a particular supervisor. A manager could select employees from among members of his former fraternity. Hiring a recommended applicant could be a favor for an old friend, or perhaps a favor for a prospective employer of a current federal manager. Agency officials could place on the public payroll anyone with the minimum GPA who suits their fancy, or is referred by a political official, golfing partner, or relative.

The potential for abuse cannot be overstated.

In a February 1982 monograph, the Merit Systems Protection Board (MSPB) reported its findings on the incidence of prohibited personnel practices as observed by senior personnel managers.

In order of frequency of reported observation:

- selection for a job or a job reward based on a family relationship (17%);
- an appointment made to the competitive service as a result of political affiliation (9%); and,
- an attempt to influence a person to withdraw from competition for a federal job in order to help another person's chance for getting the job (6%).

Further, fully 40% of personnel managers observed job-related decisions based on what the MSPB generically terms the "buddy system."

These reported abuses occurred within the confines of the competitive system, and would only increase as OPM permanently dismantles the safeguards against such abuse in the hiring process.

The impact of abuse in the selection process is not limited to the point of hire. It shapes and defines the work relationship, creates a set of obligations unrelated to the public service, and sends the unmistakable message to all other employees that merit is not the measure of the system. Hiring based on patronage or personal favoritism percolates throughout the system, and distorts all subsequent personnel actions and decisions.

OPM presents a hiring plan that is not only contrary to law, and that institutionalizes the opportunity for abuse. The OPM plan is irrational, and is predicated on a non-existent relationship between GPA and job performance. OPM asserts without any evidence that a minimum GPA is a valid predictor of future performance.

In the Spring 1989 issue of Public Personnel Management, Dr. Robert D. Bretz,Jr. of the School of Industrial and Labor Relations, Cornell University reported the findings of research on the relationship between GPA and job success. As stated in the abstract of Dr. Bretz's article, "...if a relationship does exist between GPA and job success it is tenuous at best. Since other more significant predictors of success are available, the use of GPA in this capacity is not recommended."

GPA, the article concludes, "is too subject- and situation-specific to be a valid and reliable predictor of job success." Dr. Bretz notes, as common sense alone would indicate, that GPA is easily manipulated through the selection of courses.

OPM is simply replacing one invalid selection mechanism with another, and destroying merit system principles in the process. While it fails to provide a solution for one problem, it abandons competitive selection through on-the-spot hiring to resolve a problem that may not even exist.

There is no evidence that on-the-spot hiring is the predominate practice in the private sector, or that it is a significant factor in federal recruitment problems. A special study on college recruitment published by the MSPB in 1988 found only one academic discipline out of seven surveyed where a job offer at the time of the interview was specifically mentioned as a factor in recruitment. Even in that case, low pay and poor image were cited as the major factors for low interest in federal jobs.

The MSPB special study recommended efforts to "simplify the competitive recruitment process while preserving the underlying merit principles" as well as efforts to improve compensation and the image of the federal service.

NTEU supports efforts to simplify the recruitment process, and to find innovative solutions to achieve the principles of merit selection. These solutions must be based on the essential requirements of competitive selection:

- non-discriminatory, valid measures of the relative abilities of all interested applicants;
- ranking of the applicants according to relative abilities; and,
-selection from a specified and limited number of the highest ranked.

OPM has offered no such solution.

While OPM has proposed a method termed the "Individual Achievement Record" (IAR) as an option for agency officials to use in place of the GPA hiring, it has not provided sufficient information or data to support its assertions of validity for this method. NTEU cannot and will not support a selection procedure simply on faith. OPM must be forthcoming with evidence in support of any method it proposes.

NTEU proposes that OPM under its new Director work together with all interested and affected parties to find real solutions to provide for non-discriminatory, merit hiring. We ask that Director Newman shelve the hiring plan announced in June 1988, and begin the process of correcting past mistakes in selection procedures.

Questions for the Record
Mr. Robert Tobias
National Treasury Employees Union

1. Do you believe it is possible to de-centralize the recruitment and hiring process at all while still maintaining a national civil service based on the merit principles?

2. What is OPM's proper role is the recruitment and hiring process?

3. Do you believe that GPA can be used as one element in making the determination whether an applicant may be suitable for a position?

4. What experiences have you had with the direct hiring authority under Schedule B? Have you received any complaints that the merit principles were violated or veterans preference was ignored?

5. The Volcker Commission recommended that agencies be given a flexible "bag of tools" to be used in the recruitment process. Do you believe that this is an option which Congress should explore? Could this result in one person receiving better pay or benefits than another person hired on the same day?

6. If you were designing a hiring program to address the problems of a shrinking labor market, what would you do, other than increase pay?

RESPONSE OF ROBERT M. TOBIAS

QUESTIONS ON FEDERAL RECRUITMENT POLICIES

JULY 12, 1989

SUBMITTED TO

SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE AND CIVIL SERVICE

1. NTEU supports the decentralization of authority for personnel policy in general. Personnel policy should be grounded in the particularized missions, goals and purposes of the individual federal agencies. Labor and management in the respective agencies should be freed to jointly determine the necessary and appropriate policies and practices to fulfill the specific mandates of the various agencies. Merit principles in recruitment and hiring are prerequisites applicable to all agencies in order to establish and protect the basic integrity and credibility necessary for each agency to achieve its particular mission.

Decentralization is not the issue. Unlimited management discretion, whether it be centralized or decentralized, to hire without regard to the requirements of merit principles is the issue. Far too frequently "decentralization" and "flexibility" are used as code words for the dismantling of merit system procedures and protections. Decentralization, however, does not require the abandonment of competitive selection, nor does flexibility necessitate the violation of principle.

Merit principles only require that hiring be based on relative abilities as determined by fair and open competition with an equal

opportunity for all segments of our society.

As was stated in our written testimony, any hiring process must contain the following components that are the essence of fair and open competitive selection:

-- non-discriminatory, valid measures of the relative abilities of all interested applicants;

-- ranking of the applicants according to relative abilities; and,

-- selection from among a specified and limited number of the highest ranked.

These components are legitimate and necessary limitations on management discretion in the hiring process. They ensure that selection is based on ability to perform the public service, and not on the personal or political predilections of management. There is nothing inherent to merit principles that would preclude the development and administration of competitive selection procedures at the agency level.

2. NTEU has proposed, as part of its effort to decentralize personnel policy, the elimination of OPM in its present form, and the creation of a Federal Human Resource Development Office. The repeated and seemingly willful failure of OPM to provide for competitive selection procedures is ample witness to the inadequacy of the current structure. OPM has authority for everything, but has done nothing particularly well.

There is a need, however, for a government-wide operation that

would assist and facilitate in the development, validation, and implementation of recruitment and selection procedures.

Some agencies do not have the resources or hiring needs of sufficient magnitude to warrant the independent development and validation of selection procedures. Some selection procedures would be appropriate for multi-agency use. Further, potential applicants for federal jobs should have a central source of information about job openings. Competitive examinations should be coordinated to allow applicants easier access to jobs. A new central human resource office could facilitate these activities.

In the interim, the current structure must be improved. As a first step to correct past failings, OPM should abandon its attempt to scuttle the merit system through its non-competitive hiring programs and practices. It should reaffirm the commitment to merit principles, and begin immediately to develop non-discriminatory, valid selection procedures in collaboration with all affected parties.

Second, OPM should coordinate the dissemination of information about federal jobs and application procedures to potential applicants. While OPM decries what it terms a "central hiring hall" approach to recruitment, the lack of information about job opportunities needlessly restricts the applicant pool. In an era of information technology, there is no excuse for not having a current listing of job openings accessible to potential applicants.

Also, OPM and the agencies can streamline and rationalize application procedures. Competitive selection, in and of itself,

would restore rationality to the process. The lack of competitive processes has led to the proliferation of application procedures that can vary according to the whim of management.

At present, the effort required to determine how to apply for a federal job is not justified by the compensation offered in the federal sector. There is no "system" to the current system. Competitive selection is an intelligible system which would allow interested applicants ready access to the hiring process.

OPM should recognize and fulfill its obligation to provide for fair and open competition that ensures an equal opportunity for all.

3. As stated in our testimony, there is absolutely no evidence that college grade-point-average (GPA) is a valid predictor of future job performance. As a measure of achievement or ability, GPA varies widely among colleges and courses of study. The use of GPA could be a barrier to the recruitment of genuinely bright and energetic students who might have a lower GPA, but who pursued relatively more difficult course work. There are better predictors of future job performance than GPA. These predictors should be tested and developed.

4. Non-competitive selection procedures including, but not limited to, Schedule B hiring have adversely affected NTEU members, and have been a continuing source of discontent and demoralization. Current federal employees are subject to competitive procedures for

career development and promotion. Non-competitive selection of external applicants disadvantages current employees, and unfairly restricts opportunities for internal advancement. It creates the perception, and we believe far too frequently the reality, of hiring based on personal or political favoritism.

In one instance, OPM granted IRS direct hire authority to fill over 3000 job vacancies. These vacancies involved positions that are the primary vehicles for employee advancement and career development. Current employees reported that they were denied an opportunity to apply through the competitive internal process, or if they could, they were not even given serious consideration. Management simply utilized the authority for non-competitive selection to hire external applicants, rather than adhere to the competitive procedures required for internal applicants. The consequences of this type of hiring for the continued effectiveness of the federal workforce could be devastating. Opportunity for advancement is a key factor in recruitment and retention. Closing off avenues for current employees to compete for advancement through an open and fair process will drive the best employees out of the federal service. Few new employees with a career commitment to public service will want to enter federal employment if the potential for promotion and professional growth is stunted through non-competitive hiring.

Equally important, internal advancement plays a crucial role in achieving the principle of equal opportunity and a workforce drawn from all segments of society.

The experience and training obtained in lower-graded positions are frequently the stepping stones to higher-paid jobs for minorities, women, and the disadvantaged. There remains a wide disparity between the average pay of minorities and women, and that of white males in the federal service. Non-competitive selection of external applicants can compound the existing injustice.

For example, in one instance involving the Customs Service, over 70% of the internal applicants for job vacancies at a particular post of duty were minorities. Each of the internal applicants complied with the requirements of competitive selection. The agency, however, chose to hire non-competitively through the Outstanding Scholars Program, and to shutout all internal applicants from consideration. The result: all four new hires were non-minority.

In another instance, Customs Service managers consciously sought to circumvent hiring from the civil service register by converting intermittent employees to competitive status. Its rationale: the register was "clogged" with preference eligible veterans. The agency simply didn't want to hire handicapped individuals.

Discrimination in hiring has not yet been relegated to history. Discrimination against minorities, women, and the physically impaired is an on-going blight that we must consistently combat. Competitive selection based on on valid measures of relative job abilities ia a safeguard against discrimination.

NTEU supports targeted hiring programs as a remedy for groups

victimized by discriminatory selection procedures.

These programs should not, however, be used as cover for unlimited management discretion to hire on a personal or political basis. So used, these programs can become the vehicle of continued discrimination against minorities and women, rather than a means to remedy past discrimination. Targeted hiring programs should focus on the problem that they were designed to remedy, and not create further problems.

5. As stated in our answer to question 1, NTEU supports the decentralization of personnel policy. This would include pay and benefits (except the basic health insurance and retirement programs) to be determined by collective bargaining.

We remain skeptical of any proposal that could result in unlimited management discretion in the hiring process, or increased unilateral and arbitrary management action. Employee participation in the workplace decision-making process is key to the success of decentralization. We support increased flexibility if it includes increased employee participation through labor-management negotiations to determine the terms and conditions of employment.

6. Merit System Principle 1 provides the basis for a successful hiring program. Fair and open competition with an equal opportunity for all directly addresses the current difficulties that only exacerbate the problem of recruiting from a shrinking labor pool.

Competitive selection will aid in restoring a positive public

perception of the federal service.

Negative public attitudes toward federal employment are one of the most significant barriers to attracting qualified candidates. Prestige and esteem follow from a hiring system that is based on skill and ability. The public and federal employees must be assured that hiring decisions are based on ability to serve the public.

Non-discrimination and equal opportunity are a matter of practical necessity as well as a moral imperative. Minorities and women will dominate as new entrants into the workforce. The federal service cannot afford to tolerate discriminatory practices if it is to assemble a workforce in the future.

Open competition requires readily accessible information about job availability and application procedures. Information must be broadly disseminated to expand the pool of potential applicants. No interested individual should have to endlessly search for federal job information. A central information source and coordinated examination schedules are critical components in maximizing the applicant pool.

Career development programs can be a major source of applicants for highly skilled professional and technical jobs. The opportunity to grow professionally can attract many applicants to entry level jobs. Structured apprenticeship and training programs with a clear career path can be a recruiting tool, and provide skills that might not be otherwise available to federal employers.

The design of a hiring program requires the collaboration of

labor and management with input from other affected parties.

Designing a hiring program is neither quick nor easy, and involves more than printing glossy brochures. It requires commitment and effort. OPM has not demonstrated that commitment or made that effort. It is time to move beyond the conflicts of the recent past, and the repeated attempts to circumvent the basic principles of the merit system.

We believe that the four above-mentioned factors--competition, non-discrimination, accessibility, and career development--are the essential features of a successful program, and are starting points to begin work on this issue. No program, however, can be expected to succeed unless the issues of pay, benefits, work environment, and employee participation are adequately addressed.

NATIONAL
FEDERATION
OF FEDERAL
EMPLOYEES

NFFE

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STATEMENT BY

THE NATIONAL FEDERATION OF FEDERAL EMPLOYEES

BEFORE

THE SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE
AND CIVIL SERVICE

SENATE COMMITTEE ON GOVERNMENTAL AFFAIRS

ON

FEDERAL RECRUITMENT PRACTICES

JUNE 19, 1989

Mr. Chairman and Subcommittee Members:

On behalf of the National Federation of Federal Employees, which represents 150,000 Federal employees nationwide and in virtually every Federal agency, I appreciate the opportunity to appear here today to discuss the Office of Personnel Management's proposed new testing procedure for approximately 100 different entry-level, GS-5 and GS-7 positions and the report of the National Commission on the Public Service.

NFFE's opposition to the Career America program, if anything, has only deepened since our appearance before the House Subcommittee on Civil Service last July. While NFFE is still convinced that there is crisis in Federal hiring of dramatic proportions which must be addressed both quickly and correctly before the civil service sinks into becoming the employer of last resort, we remain unconvinced that Career America contains the answer.

Our opposition is twofold: NFFE is concerned that the Outstanding Scholar proposal, which allows recruiters to make on-the-spot job offers to students who have grade point averages (GPAs) of 3.0 to 3.25 on a 4.0 scale, opens the door for favoritism and violates the concept of the

meritocracy which has for so long been the basis of the Federal civil service.

Our second concern is that the Individual Achievement Record (IAR) is an unproven effort to judge the civic virtue and moral character of applicants, and while it may do no fundamental harm to the civil service, it provides no appreciable help in selecting Federal employees.

In defending its Outstanding Scholar program, the Office of Personnel Management has gone to some pains to point out that many corporations provide similar authority to their college recruiters. OPM paints a picture where the best and brightest students are skimmed off by corporate recruiters, leaving the Federal Government to offer those who remain a tortuous and time-consuming application process. The only solution, according to OPM, is to allow Federal recruiters to make on-the-spot offers to students they feel are qualified.

There are two fundamental flaws in OPM's argument. The first is the premise that since the Federal Government competes with private industries for talented employees, its hiring practices and goals should mirror those of private industries. This is not true. Private corporations do not bear the same duty to represent the entire population that the Federal Government does. Private corporations can, up

to a point, select employees according to their whim. These selections can be based on a relationship with a particular college or university. They can be based on a predeliction to recruit students from a particular geographic location. They can be based on the fact that the recruiter prefers to hire his fraternity brothers. And while both private corporations and the Federal Government are bound by the same laws which prohibit discrimination in employment based on race, gender or age, it is incumbent upon the Federal government to vigorously live up to those laws and set an example for the private sector.

Two recent Supreme Court decisions have made it more difficult for employees to demonstrate that they have been victims of discrimination. It is only realistic to presume that at least some companies will take advantage of this decision to obey the law, but only barely. Such an attitude cannot be tolerated by the Federal Government. There can be no room for even the appearance that Federal hiring practices are geared toward collecting a workforce that is anything other than representative of the entire population. Mirroring corporate hiring practices would give that impression.

Even if the gender and race of candidates could be made to reflect the national population, there is no way that Federal recruiters could vist each college and university in

the country. Geographic favoritism would be inevitable. Additionally, the recruiting efficiency involved with conducting interviews at large and medium-sized schools would not compensate for the disadvantages that would accrue to students at smaller schools. None of these considerations is too important for a private company, as long as that company does not violate the law. But all of these considerations are critical for the Federal Government to keep from appearing to do less than provide genuine equality of opportunity for all graduating seniors.

The second flaw in OPM's argument is that without on-the-spot job offers, the only alternative is a time-consuming application process. This is not the case. In fact, we suspect that OPM may be using its own inefficiencies to bolster its arguments for the Outstanding Scholar program. NFFE is aware that there are well-respected schools, Columbia University among them, that discourage their students from taking any on-the-spot job offers. From the University's perspective, recruiters can pressure students into accepting positions that they do not really want, through skillful use of the "limited time only" offers so prevalent in vacation resort retailing. Students are unable to make thoughtful comparisons between jobs when one offer could disappear overnight. There is also a tendency for students to suffer from tunnel vision and become convinced

that the jobs offered by recruiters on campus are the only jobs available.

With new techniques in electronic scanning available, there is no reason why OPM cannot produce, administer and grade skill-specific examinations in a reasonable amount of time. There is a middle ground between an on-the-spot offer and a six month wade through bureaucratic red tape. OPM would be well advised to explore this middle ground and develop a better approach.

NFFE's concerns with the IAR remain the same. We are dismayed that OPM does not find it possible to provide us or anyone else with copies of this portion of the test. And since OPM claims that there are no "right" or "wrong" answers in this portion of the testing procudure, we are frankly also surprised that the IAR is being kept secret. We cannot fathom any reason for this decision. As we understand it, the questions concern work experiences, work habits, self evaluation, perception of evaluation by others, participation in extra curriculars, and other questions of this type.

We understand OPM's logic that answers to these questions by "successful" employees were then designated as "correct" answers, but we do not agree with this logic for three reasons. First, the selection of "successful" employees was

done by supervisors, even if in confidence, and therefore throws the validity of the entire testing procedure into question. The supervisory appraisals were necessarily subjective which means that the entire test cannot be reasonably called objective.

Secondly, the process utilized to develop the IAR questionnaires could be considered statistically invalid. The sampling was not truly random, nor was it controlled. We have no way to determine if a proper diversity of employees was chosen in the first place. To make matters worse, the baseline sample was essentially self-selected. OPM gave all new hires the opportunity to complete the IAR questionnaire, but no one was forced to do so. In fact, approximately only one-half returned their forms to OPM. And since even more questionnaires had to be excluded because they were not matched with supervisor appraisals, the validity of the sample must be called into question because of self selection as well as inadequate initial control.

Thirdly, we must consider the questions themselves. Since we have not seen the IAR, we remain unconvinced that what appears to be a "character" test can have any true correlation with job performance. In our opinion, there are only three factors that can be used legitimately to indicate potentially successful job performance, and they are education, experience and skill. All three may be measured

empirically. The IAR measures none of these, and its measurement must be normative, or subjective.

Mr. Chairman, I think our concerns with the IAR stem from the kinds of tests the Government has tried to force on its employees lately, and the direction in which these tests have been going. We have had proposals for lie detector tests, drug tests, and now a proposal for what must be regarded as a morality or character test. What employees think of themselves and how they think others view them should not be a criterion for working in the Federal Government. Neither should consideration for Federal jobs be withheld on the basis of how many clubs an individual joined in high school.

We approve of OPM's intention on introducing job-specific skills examinations into the hiring process when such can be accomplished objectively. This particular approach, however, must be proven to be non-discriminatory. If such tests could be designed and made available to the general public, they could serve to help rate and rank qualified applicants.

I think all of us here today want the same thing: a reliable, effective and fair means to attract qualified candidates to the Federal Government. However, I am afraid that there are still too many unanswered questions

surrounding OPM's proposal for NFFE to support it at this time. Eliminating the Outstanding Scholar program and personality tests from the hiring procedure would be an important first step.

I would now like to briefly address the Report of the Task Force of the National Commission on the Public Service, commonly known as the Volcker Commission. NFFE strongly agrees with the Task Force's conclusion that inadequate compensation works strongly against the ability of government to recruit employees, especially in urban areas, in areas of high concentrations of technology and in occupations with a limited pool of qualified workers. Any solution to "rebuilding the public service", as the Volcker report was entitled, would have to address the fundamental problem of compensation for Federal workers at a level comparable with the private sector. In short, Mr. Chairman, if the Administration and Congress do not act to increase and improve Federal pay and benefits, nothing else OPM or the agencies do to enhance their recruitment efforts will make any appreciable difference.

In addition, as the Task Force reported, private sector job benefits now far exceed those offered by the Federal Government, thus contributing to the Government's inability to compete with regard to recruitment of qualified employees. NFFE, therefore, urges that benefits, such as

health insurance, should be enhanced rather than diminished, as is now being contemplated by the Administration and Congress.

Last, NFFE strongly urges Congress and the Administration to embrace the Task Force's recommendations addressing the need to improve the public perceptions about the government and the Federal workers who perform the government's duties. Federal workers perform vital tasks and their viability depends on public trust and support. The President and Congress must lead efforts to create a work environment that will attract a larger and more qualified pool of candidates to Federal employment.

This concludes my statement. I will be happy to answer any questions.

National Federation of Federal Employees

James M. Peirce • President
Ronald W. Kipke • Secretary Treasurer

In reply refer to: USS-SK-901643

July 13, 1989

The Honorable David Pryor
Chairman, Subcommittee on Federal
Services, Post Office and Civil
Service
Senate Committee on Governmental Affairs
Washington, D.C. 20510-6250

Dear Chairman Pryor:

Thank you for providing our organization with the opportunity to present our views on Federal recruitment policies and practices. We appreciate your interest in this important subject and we look forward to working with you and other interested parties in the months and years ahead.

Enclosed you will find responses to the questions you posed in your June 26, 1989 letter. Please let us know if we can be of further assistance.

Sincerely,

Steve Kreisberg
Director, Field Operations
Department

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Region 8, Brenda K. Oslad, Moorhead, MN
Region 9, Sheila Velazco, Muncie, IN

1. .....

NFFE does believe that Federal recruitment and hiring can be decentralized in a manner that fosters retention of the merit principles. In this regard it is important to distinguish between procedures and implementation. The implementation of the hiring process must necessarily be decentralized in order to provide for a proper "fit" of an applicant into a position. However, decentralized implementation does not preclude a standardization of procedure and development of tests and measuring devices by OPM.

2. .....

OPM's proper role should include setting qualification standards, developing measuring devices, analyzing trends and developments in the field, and serving as a central clearinghouse of information for agencies and prospective applicants for Federal employment. The actual selection of personnel for positions must be delegated to individual Federal activities.

We believe the development of a skills and achievement measurement device or test should be a top priority for OPM. It has now been almost a full decade since the PACE was abolished. Implementation of a valid test would go a long way toward restoring the merit system and ending many of the current abuses which can occur with Schedule B appointments. OPM should analyze trends and developments in recruitment practices so that it can advise agencies on effective recruitment methods. It should study demographic and education trends so that the agencies know what to expect in the years ahead as they attempt to maintain a skilled workforce. In short, OPM should assemble information on where and how agencies can recruit the types of workers they are seeking.

Finally, OPM should maintain current job vacancy listings at all agencies and should be able to refer interested applicants to the proper agencies. Standardization of procedures across agencies should lead to a knowledgeable specialist at OPM who can provide helpful information to applicants for Federal jobs. Such information should include assistance with SF 171 completion, pay and benefit information, and Federal employment application procedures.

3. .....

Yes, NFFE believes that GPA can be used as one of many elements in making determinations on whether an applicant may be suitable for a position. However, we caution against using the GPA as a determinative factor in staffing decisions. Use of GPA is inherently unfair since it is not a standard measure. A 3.1 GPA at School A may be much more difficult to obtain than 3.8 GPA at School B. Moreover, the GPA tells nothing about the utility of the college curricula to the employer. Moreover, we are not aware of any study that has concluded that GPA is a valid predictor of job success.

4. .....

Most of the Federal agencies at which NFFE represents employees have used Schedule B appointments over the past few years. The usage of Schedule B has opened up Federal staffing decisions to abuses and countless incidents of merit principle violations. Existing competitive status employees have complained that Schedule B authority has enabled agencies to circumvent internal placement procedures and veterans preference so that partisanship or political favoritism can be accommodated. In short, Schedule B has undermined Merit System Principle 1 which provides that hiring decisions should be a product of "fair and open competition which assures that all receive equal opportunity" in an "endeavor to achieve a work force from all segments of society."

5. .....

The idea of a "flexible bag of tools" is certainly one that deserves further study. However, as the question implies, its implementation could bring on various inequities. We believe such inequities cannot be tolerated. The Federal government, as an employer, must be held to a very high standard of fairness in the provision of benefits. We believe that hiring/retention bonuses, moving allowances, training guarantees, and loan forgiveness are all positive measures. However, a serious morale problem will develop when two individuals hired into identical positions are offered different benefits based on a recruiter's subjective opinion. For this reason, we would support the provision of benefits to all new employees and existing employees moving to new jobs.

6. .....

The Federal government must do more than increase pay in order to remain competitive in a shrinking labor market. Benefits must be expanded. The government's life, health and disability insurance programs are all subpar. The Federal government has not moved to take advantage of IRS Section 89 programs so that employees can pay for child care, health insurance, and other costs with pre-tax dollars.

Moving beyond pay and benefits, the Federal government must begin to be "kinder and gentler" to employees. The idea that a Federal career can be important and exciting must be communicated to the public. Reshaping the image of Federal service as a whole is also important. The idea that Federal employees are the solution to the problems facing the nation must be communicated.

Finally, the hiring process must be streamlined. However, we do not need to provide recruiters with authorization for on-the-spot job offers. Prospective employees should be able to obtain a rating which is derived from a score achieved on a standardized test. The applicant can use this rating much like college applicants use SAT scores. Agencies should set up offices that are solely dedicated to the recruitment of personnel. In this way, each agency would have one central point of contact which would substantially enhance an applicant's ability to obtain information on current vacancies, application procedures, qualification requirements and agency mission. An applicant can apply for a job directly with an agency or through OPM.

Obviously, such a system would require a devotion of resources to the staffing function above that which are currently allocated. We should not underestimate the costs involved in the creation and administration of such a program. However, if the Federal government continues to employ a byzantine and admittedly flawed system, the civil service will continue to decline. It's time to face facts: problems with Federal employee morale, staffing, pay and benefits will require substantial funds to resolve. To deny this very basic fact is simply dishonest.

STATEMENT

BY

JOHN N. STURDIVANT
NATIONAL PRESIDENT

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES,
(AFL-CIO)

BEFORE THE

SENATE GOVERNMENTAL AFFAIRS COMMITTEE
SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE & CIVIL SERVICE

UNITED STATES SENATE

ON

RECRUITING FEDERAL EMPLOYEES AT THE COLLEGE-ENTRY LEVEL
AND OPM PLAN TO TEST AND HIRE ENTRY-LEVEL CAREER EMPLOYEES
AT THE GS-5 AND GS-7 LEVELS.

June 19, 1989

Mr. Chairman, members of the Committee, my name is John N. Sturdivant. I am the National President of the American Federation of Government Employees, AFL-CIO. AFGE represents over 700,000 employees throughout the Federal sector many of whom started their careers or now occupy positions at the college-entry level.

We appreciate this opportunity to discuss some of the problems faced by the Government in recruiting employees at the college-entry level and to comment upon the Office of Personnel Management's, (OPM), proposal of last June to replace the discredited PACE exam and the interim Schedule B hiring process used since 1982.

At the heart of the merit system are three central principles. The first and most important is recruitment via open competition. Hence, the nature of the recruitment methods for individuals to fill nonelective governmental positions is vital to the future of our merit personnel system. But, recruitment encompasses a broad range of issues. It is not just concerned with testing and recruitment procedures. Such procedures themselves will not suffice to attract the best and brightest into government service to meet the public policy challenges of our nation.

In order to insure that the government is able to hire sufficient employees to do the government's work, it must maintain the integrity of the merit system by not only implementing valid testing and recruitment procedures, but by offering a compensation package comparable to that in the private sector. As long as

potential employees are offered federal salaries and benefits of up to 50% lower than those available in the private sector, the Government simply is not an attractive employer. Streamlined methods for recruiting, the development of new competitive examinations, direct hiring authorities given to agencies and other such methodologies simply will not solve the recruitment and retention problems now faced by the government.

The failure of the Administration to recognize and address the crisis in federal compensation was appallingly apparent when the former Director of OPM, Constance Horner announced OPM's intention to implement a new program to provide a variety of ways in which candidates can enter federal service. She announced the new plan at a speech before the Career Entry Recruitment Conference by stating: "...you will get your first look at our new recruiting package, 'Career America.' ...When you see what we have to offer you, I think you will agree that we are now ready to compete brochure for brochure, with the finest private employers in the land." (Emphasis added). We submit, that until the federal government is ready to compete dollar for dollar, as well as brochure for brochure with the private sector, it will still face continuing and worsening recruitment problems. This is evidenced throughout the Government by agencies who have been given direct hire authority as well as those who have been authorized special pay rates. A recent experience of one agency within the Department of Agriculture highlights this. Over the years, that agency had recruited college graduates at the GS-5 and GS-7 level for various

jobs within the Department. However, in recent years, it found there simply were no applicants for the open positions. So, through OPM, the agency received direct hire authority and were given permission to recruit at the GS-9/GS-11 level. Armed with these tools and with expectations of filling their vacant positions, the agency went directly to the University of Maryland and there, competed with the private sector employers for graduates of the agricultural economics program. Not surprisingly, the agency dejectedly returned home without a single applicant. It lost out completely because the federal compensation package, even at an entry level of GS-9/GS-11, was far inferior to what was offered by other employers.

We believe that inadequate compensation is the primary cause of today's recruitment problem. But, we also recognize that the archaic and cumbersome federal hiring system also contributes to the problem. Hence, we were pleased that OPM had begun to focus on this problem and we urge the new director of OPM, Ms. Newman, to turn her attention to this important issue.

The first merit principle (5 U.S.C. §2301) requires that:

> Recruitment should be from qualified individuals from appropriate sources in an endeavor to achieve a work force from all segments of society, and selection and advancement should be determined solely on the basis of relative ability, knowledge, and skills, after fair and open competition which assures that all receive equal opportunity.

AFGE viewed OPM's proposal as a good faith attempt to balance the dual requirement to:

(1) achieve a representative work force, and

(2) maintain fair and open competition.

As we understood the proposal, it would set up two alternative hiring procedures.

First, agencies would be authorized to directly hire, without any testing, college graduates with a grade point average above a cutoff point of 3.0 to 3.25 on a 4.0 scale. (the precise cutoff point was to be determined.)

Second, there would be a centralized testing procedure which would combine standard occupational testing with a new testing procedure, the Individual Achievement Record (IAR).

The IAR was OPM's name for what is generally referred to as "biodata" testing in the private sector. The goal in general seemed to be to test for the biographical data which had been shown to be highly correlated with successful job performance. A review of research materials provided by Richardson, Bellows, Henry and Co., Inc., the leading private sector firm in developing biodata testing, shows that a major plus for this type of testing is that while successfully predicting job performance it avoids much of the adverse impact that traditional "pen and pencil" aptitude tests have had on minorities. It was our understanding that OPM had not yet determined the relative weighting of these two tests nor had it determined the number of occupational tests to cover the remaining jobs.

When the House Post Office and Civil Service Committee held hearings last year on OPM's new recruitment proposal, we pointed out that there were many unanswered questions and gray areas which

needed to be clarified. We submit, Mr. Chairman, that this is still true today.

The direct hire approach is not new. As a result of a consent decree entered by the Court, the "Outstanding Scholar's Program," which allowed agencies to direct hire based on Grade Point Average (GPA) was established. The only difference between that program and OPM's new proposal is that the cutoff point for directly hiring students was at a 3.5 GPA on a 4.0 scale, rather than the proposed 3.0 to 3.25.

According to OPM, out of the tens of thousands of new federal employees since 1982, less than 600 have been hired under the Outstanding Scholar Program. Given this track record, one has to wonder how successful the new approach will be.

If direct hiring expands under the program, it opens up several areas for potential abuse. For example, could an agency head with strongly held ideological beliefs direct that agency's recruitment effort to universities with similar ideological tendencies? To be more concrete, is it conceivable under this proposal, that the Interior Department under the direction of a James Watt, would focus its recruitment efforts to schools like Liberty Baptist College and Bob Jones University? We fear the answer is yes and such a recruitment effort would directly contravene merit principles in general.

What happens in the case where more employees (meeting the GPA requirement) apply than there are positions to fill? Will there be an effect on Veterans' Preference. Given this discretion,

is there any danger that a recruitment officer could hire friends or children of friends? Is there any time limit on the date of graduation or could an agency directly hire an applicant who had a 3.5 GPA when he or she graduated in 1960? Is there any consideration given to the "quality" of the institution? Could recent college graduates who participated in successful Presidential campaign be given preferential hiring?

If this broadened hiring authority is allowed to go forward, we would, at the minimum, seek broad reporting requirements of such hires to include agency specific data on the college, race, sex, GPA, position recruited, etc., so that any abusive hiring practices could be identified and dealt with.

Furthermore, there should be written criteria for selecting such direct hires in cases where applicants outnumber available positions; such criteria should include and strongly weight affirmative action goals.

In regard to the centralized testing and the "new" IAR approach, AFGE still has not had the opportunity to examine the actual questions of the IAR. We trust it does not contain any gender or race specific questions. Also, we trust that the privacy of the individual taking the exam will be protected.

It is our understanding that the IAR is an exam which asks questions on an individual's background or record. According to OPM, the questions were designed to determine whether the applicants have fully taken advantage of opportunities available to them. A clear correlation was apparently found between the

answers given to these questions and the individual's job performance. Although OPM claims to have been careful to avoid discriminatory or inappropriate questions, it is important that AFGE is able to review the questions, sampling procedures, and results for ourselves before making final judgment.

OPM was to implement its new hiring plan this Spring. After raising our concerns last year, we had hoped that it would more clearly articulate its plan. To date, it has not done so. What does it now plan to do?

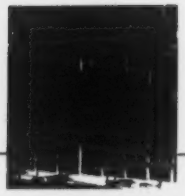
Finally, as a union, we immediately represent current employees, not potential employees. We are very concerned that these new hiring procedures do not close off internal candidates for these jobs. OPM has assured us that this is not the case and actually may help some employees who are currently trapped in dead-end jobs by opening up a new avenue for securing better jobs via the new testing procedures.

We would prefer that the new initiative be coupled with an initiative for broadened education and training, career ladders, and upward mobility for current federal workers. Indeed, if the restrictive management rights clause in Title VII of the Civil Service Reform Act were abolished or amended, we would look forward to negotiating with agencies over these issues.

We look forward to working with the Committee, OPM, and other interested parties to move ahead on a hiring program which will secure the top flight skills and talents the government needs and

which will insure that the work force reflects the full diversity of America's citizens.

Thank you.



AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

AFL-CIO

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IN REPLY PLEASE REFER TO:
7k/GCO

July 10, 1989

Senator David Pryor
United States Senate
Committee on Governmental Affairs
Room 601 Hart Office Building
Washington, D. C. 20510

Dear Senator Pryor:

We appreciate the opportunity to respond to your questions on the recruitment and retention problems now existing in the federal sector.

Question 1. Do you believe it is possible to de-centralize the recruitment and hiring process at all while still maintaining a national civil service based on the merit principles?

Answer 1. Yes. The recruitment and hiring process could be de-centralized while at the same time, maintaining a national civil service based on merit principles. The process now is for OPM to have the responsibility for establishing standards with respect to the requirements for admission to the competitive service, for administering competitive examinations, for maintaining rosters of persons eligible for appointments to the competitive service and to submit the top three names on such rosters to agencies desiring to fill vacancies. Agencies now must apply to OPM for the names of persons eligible for appointment and then must go through their own selection processes. The problems with this procedure and process are two-fold. First, the standards for eligibility for competitive service appointment are vague and the concept of open competitive examinations has never been fully achieved for all classifications. (As everyone is aware, the PACE exam was determined to be discriminatory and hence, barred from further use.) Second, the process of agencies applying to OPM for a list of eligible applicants and then conducting their own selection process is unduly lengthy and cumbersome. In all too many cases, by the time a person's name comes to the top of a register and is finally sent to an Agency which desires to fill a vacancy, the person has long since found another job or, in some cases, has no interest in the particular agency which has the vacancy. These problems could be overcome and the recruitment and hiring process decentralized while maintaining a national civil service based on merit principles by OPM's establishment of meaningful and clearly articulated standards and its development

of competitive examinations developed for appropriate positions. The agencies could then utilize those standards and examinations to recruit and hire employees directly without going through OPM.

Question 2. What is OPM's proper role in the recruitment and hiring process.

Answer 2. As set forth in the answer to Question No. 1, OPM's role should be to develop clear standards for eligibility for appointment to the competitive service. This role should be centralized to insure that the integrity of a national civil service based on merit principles is upheld. Beyond this, there is no reason why OPM should become directly involved in the recruitment and hiring process. Agencies are in a much better position to assess qualified applicants and to fill vacancies within the agency than is OPM and applicants certainly have avenues for redress where they believe there is discrimination involved in hiring decisions. OPM, however, should be apprised of difficulties in filling vacancies in order that it may report such problems to Congress together with suggestions for overcoming such problems.

Question No. 3. Do you believe that GPA can be used as one element in making the determination whether an applicant may be suitable for a position?

Answer No. 3. No. The comparison of GPA's maintained at different schools is practically meaningless. A 4.0 maintained at Harvard, Yale or Stanford might connote far more skill and ability than a 4.0 maintained at Shepard College or James Madison University but it might not. The underlying question is would the 4.0 student at James Madison also be a 4.0 student at Harvard? And, still another question must be asked. Is the person who maintained a 3.0 at Harvard comparable to the person who maintained a 4.0 GPA at James Madison? Furthermore, is the economics major with a 4.0 at Stanford comparable to the drama major with a 4.0 at Yale? There are just too many variables to utilize GPA as a factor in making hiring decisions. It would appear more appropriate to require a college degree where appropriate and then to give consideration for particular courses taken which are relevant to the duties of the position sought to be filled.

Question No. 4. What experiences have you had with the direct hiring authority under Schedule B? Have you received any complaints that the merit principles were violated or veterans preference was ignored?

Answer No. 4. The use of the Schedule B direct hiring authority has, as was pointed out to the Committee, been limited. We are not aware of any specific instances where veterans preference was ignored nor or we aware of egregious violations of the merit principles. However, we are aware of instances at the Federal Home Loan Bank Board and within the Social Security Administration where persons have been directly hired under Schedule B and rather than pursuing legitimate conversion to competitive status, their Schedule B appointments have been extended by the granting of special exceptions. These people do not have the rights under the statutory adverse action protections applicable to competitive service employees nor, as at least one court has ruled, are they entitled to utilize negotiated grievance procedures. This makes them particularly vulnerable in instances of reorganizations and RIF's. In essence, they become "sitting ducks" to solve employment problems caused by the vagaries on agency appropriations and reorganizations. The point is, if properly used, direct hiring authority can be a useful tool in enabling agencies to quickly fill vacancies. However, without clear guidelines, such authority can be abused and merit principles violated. Further, because those employees who are hired under the excepted service are without the same employment protections as their competitive service counterparts, direct hire authority should not be limited to only the excepted service. The excepted service should mean precisely what its name connotes, exceptional circumstances, and should not be a substitute for legitimate appointments to the competitive service used only because there is no alternative or because an agency does not have the desire to build and maintain a career workforce.

Question No. 5. The Volker Commission recommended that agencies be given a flexible "bag of tools" to be used in the recruitment process. Do you believe that this is an option which Congress should explore? Could this result in one person receiving better pay or benefits than another person hired on the same day?

Answer No. 5. It is apparent from all of our responses that AFGE believes a variety of options needs to be available if the government is to be in the race for the small pool of labor available. This does not necessarily mean, however, that one person would receive better pay or benefits than another person hired on the same day--we assume to do the same job. In Answer No. 6 we suggest a number of options which could be used as recruitment tools. However, we preface our suggestions with the strong avocation that any option must be thoroughly analyzed and tested prior to wide implementation and that employees, through their exclusive representatives, must have a role in designing

and implementing it. To date, the appropriate analyses and testing has not been possible or where possible, for example under the demonstration project authority, the focus has been primarily on base pay rather than on recruitment and retention plans.

Question No. 6. If you were designing a hiring program to address the problems of a shrinking labor market, what would you do, other than increase pay?

Answer No. 6. Career employees are the meat and brains of the government's workforce; the ones who have the institutional memory; the ones who continue to perform the business of this country regardless of changes in administrations. The question of how to keep such essential employees from deserting or how to attract such essential employees in the first place has developed into a significant employment issue.

The seriousness of this issue is compounded by the declining unemployment rate and the increasing skill requirements associated with jobs. Obviously, investments in training workers or, alternatively, recruiting experienced employees go down the drain when these workers accept new offers from the private sector. In summary, the foremost employment issue is that of employee recruitment and retention. How can the Government, as an employer, remain competitive so that it does not lose employees to competitors?

As we stated in our testimony, until such time as the wages and benefits of government employees are comparable to those paid to their private sector counterparts, the government cannot reasonably expect to be a competitive employer. Notwithstanding this basic fact and assuming arguendo, that the comparability gap were to be closed, then the government should look to a number of other ways in which it could enhance its position as an attractive employer. However, any new such programs or options must be thoroughly analyzed and tested and only then implemented and the option or establishment of such new programs must not be considered as substitutes for competitive, traditional, base pay and benefits. They are utilized solely as additions to base pay and benefits and are in response to the recruitment and retention problems faced by all employers due to the shrinking labor pool.

Private sector experiences provide examples of gainsharing plans where employees are rewarded for improved performance that translates into heightened productivity; pay for knowledge and skills plans where employees rates of basic pay are enhanced not by the work they actually perform on a given day but according to

the number of jobs or the differing kinds of work they are capable of handling; and, non-cash compensation plans where there are a range of tangible rewards such as earned time off and merchandise and travel (studies show that this type of option only works when employees are already reasonably paid). While some or all of these plans could enhance the government's ability to recruit and retain employees, it is our firm belief that (1) any such methods should be tested prior to being made an available tool government-wide, and (2) employees should have meaningful input, through their exclusive representatives, into the design and implementation of any such plans.

Finally, the scope of collective bargaining in the federal sector must be expanded. The unlimited subjects which employees can bargain over in the private sector makes that segment a far more attractive place to work than the federal sector which constricts the scope of bargaining to the point that it is almost meaningless.

Again, we thank you for this further opportunity to provide information to your Committee.

Sincerely and in solidarity,

John N. Sturdivant

John N. Sturdivant
National President